

the Lorain County Court of Common Pleas is estimated at \$128,771, which consists of: (1) \$105,550 in salary, (2) \$14,534 in PERS contributions, and (3) \$8,687 in miscellaneous other contributions. As the term of the new judge does not begin until halfway through the state's FY 2007, the amount of state financial support that will be disbursed in that fiscal year is expected to be half the estimated annual cost, or \$64,386. Currently, the state has statutorily prescribed annual pay increases in the state share of the salary of common pleas court judges through calendar year 2008.

- Morrow County Court of Common Pleas judgeship.** Starting with FY 2008, the annual amount in GRF funding that the Supreme Court of Ohio will disburse in the form of state support for the new judge added to the Morrow County Court of Common Pleas is estimated at \$138,905, which consists of: (1) \$113,857 in salary, (2) \$15,678 in PERS contributions, and (3) \$9,370 in miscellaneous other contributions. As the term of the new judge does not begin until halfway through the state's FY 2007, the amount of state financial support that will be disbursed in that fiscal year is expected to be half the estimated annual cost, or \$69,453. Currently, the state has statutorily prescribed annual pay increases in the state share of the salary of common pleas court judges through calendar year 2008.

Local Fiscal Highlights

LOCAL GOVERNMENT	FYs 2005-2006	FY 2007*	FUTURE YEARS
Butler County			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Magnitude of one-time capital improvements and furnishings costs uncertain	(1) Up to \$103,878 estimated increase in salaries, benefits, and additional operating costs; (2) likely savings due to reduced need for retired and visiting judges	(1) Up to \$103,878 estimated increase in salaries, benefits, and additional operating costs; (2) likely savings due to reduced need for retired and visiting judges
Lorain County			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	(1) Increase estimated at \$15,897 for judicial salary and benefits; (2) additional personnel expenses estimated at \$269,650 plus the cost of benefits; (3) no additional capital improvements costs	(1) Increase estimated at \$15,897 for judicial salary and benefits; (2) additional personnel expenses estimated at \$269,650 plus the cost of benefits; (3) increase estimated at \$315,160 per year starting in FY 2009 for additional operating expenses related to consolidation of Probate Division within Domestic Relations Division

Morrow County

Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	(1) Increase estimated at \$6,464 for judicial salary and benefits; (2) no additional staffing or capital improvements costs	(1) Increase estimated at \$6,464 for judicial salary and benefits; (2) no additional staffing costs

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

* The three new judges will be elected in 2006 for terms to begin January 2007.

- Butler County Court of Common Pleas judgeship.** Starting with FY 2007, the annual salary and benefits for the new judge to be added to the Butler County Court of Common Pleas will cost Butler County \$15,897, which is comprised of \$14,000 in annual base salary plus fringe benefits. Butler County expects to incur additional one-time capital improvements and furnishing costs in order to add courtroom and office space for the General Division in its Government Services Center. The magnitude of those costs is uncertain. Legislative Service Commission fiscal staff estimates the additional annual local costs for staff and related expenses at roughly \$90,000, most of which represents the salary and fringe benefits for two staff positions: a judicial assistant and a bailiff. As the seating of an additional judge will likely reduce the need to reimburse the state for the services of retired and visiting judges, the court will realize some savings, but the amount of that annual savings is, as of this writing, uncertain.
- Lorain County Court of Common Pleas: Domestic Relations Division and Probate Division.** It appears that the primary local fiscal effects associated with the bill's provisions related to the Court's Domestic Relations and Probate divisions would not be experienced until roughly February 2009. That is the timeframe in which the existing Probate Division of the Court, the successors to the current Probate Judge, and the jurisdiction over probate matters will be consolidated within the Domestic Relations Division. It is the view of Lorain County Court personnel that the nature of the cases heard in the Domestic Relations Division are both time and labor intensive. As a result of consolidating the current Probate Judge within the Domestic Relations Division, Lorain County Court personnel expect to incur additional operating costs in support of that judge starting in 2009 estimated at \$315,160 per year in current year dollars. This estimated annual amount includes the salary and fringe benefits of three additional staff (one court reporter and two staff attorneys).
- Lorain County Court of Common Pleas judgeship.** Starting with FY 2007, the annual salary and benefits for the new judge to be added to the Lorain County Court of Common Pleas will cost Lorain County \$15,897, which is comprised of \$14,000 in annual base salary plus fringe benefits. According to the court's administrative staff, the new judge will require additional support staff, including a bailiff, two secretaries, one staff attorney, and one court reporter. Salary costs associated with these five staff positions are estimated at \$269,650 per year plus the cost of benefits. Courtroom space already exists and no further capital expenditures are anticipated.
- Morrow County Court of Common Pleas judgeship.** Starting with FY 2007, the annual salary and benefits for the new judge to be added to the Morrow County Court of Common Pleas will cost Morrow County \$6,464, which is comprised of \$5,693 in annual base salary plus fringe benefits. According to the court's administrative staff, no additional staff or courtroom space will be required to support the new judgeship, as the additional judge is expected to utilize existing space and staff.

Detailed Fiscal Analysis

Fiscally notable provisions

For the purposes of this fiscal analysis, the bill most notably:

- Adds one additional judge for the General Division of the Butler County Court of Common Pleas to be elected in 2006 and to take office on January 3, 2007.
- Provides the judges of the Domestic Relations Division of the Lorain County Court of Common Pleas with concurrent jurisdiction over probate matters with the Probate Judge of Lorain County, from January 1, 2006 through February 8, 2009.
- Designates the successors (effective February 9, 2009) to the current Lorain County Probate Judge as judges of the Domestic Relations Division of the Lorain County Court of Common Pleas.
- Adds one additional judge for the Lorain County Court of Common Pleas General Division to be elected in 2006, term to begin January 6, 2007.
- Adds one additional judge for the Morrow County Court of Common Pleas to be elected in 2006, term to begin January 1, 2007.

Butler County Court of Common Pleas judgeship

The bill adds one additional judge for the general division of the Butler County Court of Common Pleas to be elected in 2006 and to take office on January 3, 2007.

Judicial compensation costs

Base salary

The annual salary of a judge of a court of common pleas consists of a state-paid share and a local share paid by the county as follows:

- The *local share* varies slightly depending on a county's population as determined by the decennial census. The local amount is based on 18 cents per capita in the county, but may not be less than \$3,500 or more than \$14,000.
- The *state share* is equal to the annual salary minus the local share. Substitute House Bill 712 of the 123rd General Assembly provided annual salary increases each year from 2002 through 2008. The annual salaries of the judges and justices of the court will increase by the lesser of 3% or the percentage increase in the Consumer Price Index (CPI) over the 12-month period ending on September 30 of the previous year. In the case of judges for whom a portion of the salary is paid locally, the entire amount of the increase is added to the state share.

The Supreme Court of Ohio estimates that, when the new judge is added to the Butler County Court of Common Pleas for a term to begin January 3, 2007, the annual salary of a judge of a court of common pleas will be \$119,550. Of that amount, based on the 2000 Census, Butler County will have to pay the maximum of \$14,000 as required under current law (Butler County population totals 332,807). The state will cover the balance of the annual salary, which for the remainder of state FY 2007 (January 3, 2007 through June 30, 2007), amounts to \$52,775. Starting with FY 2008, the first full state fiscal year of the judgeship, and annually thereafter, the state will expend \$105,550 plus whatever cost of living increase that is approved for that year by the Supreme Court.

Retirement

State and local elected officials are exempt from membership in PERS (Public Employees Retirement System), unless they choose to become members. Most do. Therefore, this analysis includes PERS payments, which assumes that the new judge added to the Butler County Court of Common Pleas joins PERS. The state and local PERS contributions would work as follows:

- The state contributes at the rate of 13.77% of its supplemental salary amount, while the county pays 13.55% on its base share amount.
- Under that PERS contribution formula, Butler County will pay \$1,897 annually, while the state will contribute \$14,534 in FY 2008, the first full state fiscal year of the new common pleas court judgeship.

Other state costs

In addition to PERS, the state also makes contributions for other purposes, totaling approximately 8.23%, which includes 1.45% of gross salary for Medicare for all employees hired after April 1986, 0.1371% for workers' compensation, 0.28% for the administration of the Central Accounting System, and approximately 6.36% in health insurance contributions. It should be noted that the state's share in health insurance contributions has been increasing and is expected to continue increasing in the future. These miscellaneous annual contributions will cost the state \$8,687 ($\$105,550 \times 8.23\%$) in FY 2008, the first full state fiscal year of the new common pleas court judgeship.

Other Butler County costs

One-time expenses. Butler County expects to incur additional one-time capital improvements and furnishing costs in order to add courtroom and office space for the General Division in its Government Services Center. The magnitude of those costs is uncertain.

Ongoing operating expenses. Based on information provided by the Butler County Court of Common Pleas, LSC fiscal staff estimates the additional annual local costs for staff and related ongoing operating expenses at roughly \$90,000, most of which represents the salary and fringe benefits for two staff positions: a judicial assistant and a bailiff. Apparently, a third position for a staff attorney position is already being paid from a special project fund.

As the seating of an additional judge will likely reduce the need to reimburse the state for the services of retired and visiting judges, the court will realize some savings, but the amount of that annual savings is, as of this writing, uncertain.

Lorain County Court of Common Pleas: Domestic Relations Division and Probate Division

Based on information provided by a judge of the Domestic Relations Division of the Lorain County Court of Common Pleas, it appears that the primary local fiscal effects associated with the bill's provisions related to the Court's Domestic Relations and Probate divisions would not be experienced until roughly February 2009. That is the timeframe in which the existing Probate Division of the Court, the successors to the current Probate Judge, and the jurisdiction over probate matters will be consolidated within the Domestic Relations Division. It is the view of Lorain County Court personnel that the nature of the cases heard in the Domestic Relations Division are both time and labor intensive. As a result of consolidating the current Probate Judge within the Domestic Relations Division, Lorain County Court personnel expect to incur additional operating costs in support of that judge starting in 2009 estimated at \$315,160 per year in current year dollars. This estimated annual amount includes the salary and fringe benefits of three additional staff (one court reporter and two staff attorneys).

Lorain County Court of Common Pleas: General Division

The bill adds one additional judge for the Lorain County Court of Common Pleas General Division to be elected in 2006, term to begin January 6, 2007.

Judicial compensation costs

Base salary. The annual salary of a judge of a court of common pleas consists of a state-paid share and a local share paid by the county as follows:

- The ***local share*** varies slightly depending on a county's population as determined by the decennial census. The local amount is based on 18 cents per capita in the county, but may not be less than \$3,500 or more than \$14,000.
- The ***state share*** is equal to the annual salary minus the local share. Sub. H.B. 712 of the 123rd General Assembly provided annual salary increases each year from 2002 through 2008. The annual salaries of the judges and justices of the court will increase by the lesser of 3% or the percentage increase in the Consumer Price Index (CPI) over the 12-month period ending on September 30 of the previous year. In the case of judges for whom a portion of the salary is paid locally, the entire amount of the increase is added to the state share.

The Supreme Court of Ohio estimates that, when the new judge is added to the Lorain County Court of Common Pleas for a term to begin January 6, 2007, the annual salary of a judge of a court of common pleas will be \$119,550. Of that amount, based on the 2000 Census, Lorain County will have to pay the maximum of \$14,000 as required under current law (Lorain County population totals 284,664). The state will cover the balance of the annual salary, which for the remainder of state FY 2007 (January 6, 2007 through June 30, 2007), amounts to \$52,775. For

FY 2008, the first full state fiscal year of the judgeship, the state will expend \$105,550 plus whatever cost-of-living increase that is approved for that year by the Supreme Court.

Retirement

State and local elected officials are exempt from membership in PERS (Public Employees Retirement System), unless they choose to become members. Most do. Therefore, this analysis includes PERS payments, which assumes that the new judge added to the Lorain County Court of Common Pleas joins PERS. The state and local PERS contributions would work as follows:

- The state contributes at the rate of 13.77% of its supplemental salary amount, while the county pays 13.55% on its base share amount.
- Under that PERS contribution formula, Lorain County will pay \$1,897 annually, while the state will contribute \$14,534 in FY 2008, the first full state fiscal year of the new common pleas court judgeship.

Other state costs

In addition to PERS, the state also makes contributions for other purposes, totaling approximately 8.23%, which includes 1.45% of gross salary for Medicare for all employees hired after April 1986, 0.1371% for workers' compensation, 0.28% for the administration of the Central Accounting System, and approximately 6.36% in health insurance contributions. It should be noted that the state's share in health insurance contributions has been increasing and is expected to continue increasing in the future. These miscellaneous annual contributions will cost the state \$8,687 ($\$105,550 \times 8.23\%$) in FY 2008, the first full state fiscal year of the new common pleas court judgeship.

Other Lorain County costs

According to the court's administrative staff, the new judge will require additional support staff, including a bailiff, two secretaries, one staff attorney, and one court reporter. Salary costs associated with these five staff positions are estimated at \$269,650 per year plus the cost of benefits. Courtroom space already exists and no further capital expenditures are anticipated.

Morrow County Court of Common Pleas judgeship

The bill adds one additional judge for the Morrow County Court of Common Pleas to be elected in 2006, for a term to begin January 1, 2007.

Judicial compensation costs

Base salary. The annual salary of a judge of a court of common pleas consists of a state-paid share and a local share paid by the county as follows:

- The *local share* varies slightly depending on a county's population as determined by the decennial census. The local amount is based on 18 cents per capita in the county, but may not be less than \$3,500 or more than \$14,000.
- The *state share* is equal to the annual salary minus the local share. Sub. H.B. 712 of the 123rd General Assembly provided annual salary increases each year from 2002 through 2008. The annual salaries of the judges and justices of the court will increase by the lesser of 3% or the percentage increase in the Consumer Price Index (CPI) over the 12-month period ending on September 30 of the previous year. In the case of judges for whom a portion of the salary is paid locally, the entire amount of the increase is added to the state share.

The Supreme Court of Ohio estimates that, when the new judge is added to the Morrow County Court of Common Pleas for a term to begin January 1, 2007, the annual salary of a judge of a court of common pleas will be \$119,550. Of that amount, based on the 2000 Census, Morrow County will have to pay \$5,693 (31,628 county population x 18 cents per capita). The state will cover the balance of the annual salary, which for the remainder of state FY 2007 (January 1, 2007 through June 30, 2007), amounts to \$56,929. For FY 2008, the first full state fiscal year of the judgeship, the state will expend \$113,857 plus whatever cost-of-living increase that is approved for that year by the Supreme Court.

Retirement

State and local elected officials are exempt from membership in PERS (Public Employees Retirement System), unless they choose to become members. Most do. Therefore, this analysis includes PERS payments, which assumes that the new judge added to the Morrow County Court of Common Pleas joins PERS. The state and local PERS contributions would work as follows:

- The state contributes at the rate of 13.77% of its supplemental salary amount, while the county pays 13.55% on its base share amount.
- Under that PERS contribution formula, Morrow County will pay \$771 annually, while the state will contribute \$15,678 in FY 2008, the first full state fiscal year of the new common pleas court judgeship.

Other state costs

In addition to PERS, the state also makes contributions for other purposes, totaling approximately 8.23%, which includes 1.45% of gross salary for Medicare for all employees hired after April 1986, 0.1371% for workers' compensation, 0.28% for the administration of the Central Accounting System, and approximately 6.36% in health insurance contributions. It should be noted that the state's share in health insurance contributions has been increasing and is expected to continue increasing in the future. These miscellaneous annual contributions will cost the state \$9,370 (\$113,857 x 8.23%) in FY 2008, the first full state fiscal year of the new common pleas court judgeship.

Other Morrow County costs

According to the court's administrative staff, no additional staff or courtroom space will be required to support the new judgeship, as the additional judge is expected to utilize existing space and staff.

LSC fiscal staff: Jamie L. Doskocil, Budget Analyst

SB0128EN.doc/arc