

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7003
BILL NUMBER: HB 1199

DATE PREPARED: Jan 5, 2000
BILL AMENDED:

SUBJECT: Composition of courts.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

STATE IMPACT	FY 2000	FY 2001	FY 2002
State Revenues			
State Expenditures		145,000	865,354
Net Increase (Decrease)		(145,000)	(865,354)

Summary of Legislation: This bill requires judicial nominating commissions, the Governor, and the Chief Justice of the Supreme Court in evaluating candidates for a judgeship to consider whether appointment of the candidate will allow the composition of circuit courts, superior courts, probate courts, county courts, the Tax Court, the Court of Appeals, and the Supreme Court to more adequately reflect the diversity of the citizens of Indiana. It requires the Indiana Judicial Center to annually prepare an analysis on the diversity in the judiciary. It also adds two justices to the Indiana Supreme Court.

Effective Date: July 1, 2000; July 1, 2001.

Explanation of State Expenditures: This bill will increase state expenditures by \$145,000 in FY 2001 and \$865,354 in FY 2002. The FY 2001 costs include \$5,000 incurred by the Judicial Nominating Commission and \$70,000 for initial start-up costs for furniture, computers and law libraries for the two justices and their staffs. The FY 2002 costs include \$333,800 in salaries and fringe benefits for the two justices, \$467,554 in salaries and fringe benefits for their staffs, \$10,000 for travel and education for the justices, \$4,000 in annual maintenance for the law libraries, and \$50,000 for rent.

This bill would increase costs incurred by the Supreme Court, which pays the expenses for the statewide Commission on Judicial Qualifications. Increasing the number of justices on the Supreme Court from five

to seven requires that the Commission fill the additional two justice positions. On average, the Commission meets for two days to fill a judicial vacancy. The Commission consists of six members, in addition to the Chief Justice, who receives no per diem. Each Commission member receives per diem and reimbursement for traveling, lodging and any other reasonable expenses. Each meeting costs an average of \$1,250. If the Commission held four additional meetings to fill the two vacancies, the additional cost to the Supreme Court would be \$5,000, incurred in FY 2001.

The bill also requires the Indiana Judicial Center to prepare an annual analysis of the diversity of the judiciary compared to the diversity of the general population of Indiana. Assuming that diversity is defined as gender and ethnicity, the Indiana Judicial Center and the Division of State Court Administration will experience an increase in staff time and costs to change the current database program which includes information about each member of the judiciary. A field for ethnicity would have to be added to the database program as that information is not currently collected. Gender information is already collected. The information on ethnicity would have to be collected from all judges statewide, the field would have to be added in the database, and a statistical analysis would be conducted to determine how the diversity of the judiciary compares to the diversity of the general population of Indiana. The Division of State Court Administration is responsible for changing the database program and conducting statistical analyses.

The addition of two justices and their staffs to the state payroll is estimated to increase state expenditures by \$801,354 in FY 2002 [\$333,800 + \$467,554].

The additional cost to the state in FY 2002 to add two Supreme Court justices is \$333,800 (for salary and fringe). The salary for each Supreme Court justice is \$115,000. In addition, each Supreme Court justice who is not the Chief Justice receives an annual subsistence allowance of \$3,000. Fringe benefits are calculated at 37% of salary (27% for the Judges Retirement Fund, 7.65% for Social Security, .41% for life insurance and 1.9% for disability insurance), plus a flat rate of \$5,240 for health, vision and dental insurance. Health insurance benefits are calculated at a flat rate of \$5,240.

The additional cost to the state in FY 2002 for six law clerks and two secretaries is estimated to be \$467,554 [\$356,000 for salaries + \$69,634 for fringe + \$41,920 for health/vision/dental insurance]. A Supreme Court justice will likely employ three law clerks and one secretary. On average, law clerks for the Supreme Court are paid an annual salary of \$48,000 and secretaries are paid an average annual salary of \$34,000. Fringe benefits are calculated at 19.56% of salary (9.6% for PERF, 7.65% for Social Security, .41% for life insurance and 1.9% for disability insurance), plus a flat rate of \$5,240 for health, vision and dental insurance.

The Supreme Court Administrator estimates the following expenses will be incurred in FY 2001 and FY 2002 with the addition of two Supreme Court justices. The Supreme Court Administrator estimates that the breakdown of the cost per justice is as follows:

- Travel and education expenses of \$5,000 (FY 2002)
- Initial start-up for furniture and computers of \$35,000 (FY 2001 only)
- Start-up for each law library of \$35,000 (FY 2001 only) + \$2,000 for maintenance (FY 2002)
- Rent of \$25,000* (FY 2002)

* Currently, there is no space in the State Capitol Building or the Hyatt to house the two additional justices and their staffs. The cost to rent space elsewhere for the justices and their staff members is estimated by the Supreme Court Administrator to be \$25,000 per year.

The indirect administrative costs of adding two justices to the Supreme Court include the expense to obtain additional storage space for seven copies of all documents related to active cases (instead of five), and the cost of rewriting the computerized voting programs currently set up for five justices.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Division of State Court Administration; Indiana Judicial Center; Indiana Supreme Court; Supreme Court Administrator; Commission on Judicial Qualifications.

Local Agencies Affected:

Information Sources: Jack Stark, Director of Trial Court Services, Division of State Court Administration, 232-2542; Jane Seigel, Executive Director, Indiana Judicial Center, 232-1313; Meg Babcock, Counsel, Commission on Judicial Qualifications, 232-2542; Doug Cressler, Supreme Court Administrator, 232-2540.