

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6189
BILL NUMBER: SB 147

NOTE PREPARED: Dec 14, 2006
BILL AMENDED:

SUBJECT: Courts and Court Officers.

FIRST AUTHOR: Sen. Bray
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2007	FY 2008	FY 2009
State Revenues			
State Expenditures		369,770	534,398
Net Increase (Decrease)		(369,770)	(534,398)

Summary of Legislation: This bill has the following provisions:

- A. It allows the judges of the Floyd Circuit, Superior, and County Courts to jointly appoint a second full-time magistrate.
- B. It allows the judge of the Franklin Circuit Court to appoint one full-time magistrate.
- C. It allows the judges of the Hamilton Superior Court to jointly appoint a second full-time magistrate.
- D. It adds a second judge to the Jackson Superior Court beginning January 1, 2009.
- E. It adds a second judge to the Putnam Superior Court beginning January 1, 2009.

(The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2007.

Explanation of State Expenditures: The estimated costs for the new courts and magistrates in Marion County are shown in the following table. The three magistrates would begin operating July 1, 2007, while the two courts in Jackson and Putnam Counties would begin operating January 1, 2009.

Proposed New Courts and Magistrates					
County	Personnel	Effective Date	FY 2008	FY 2009	FY 2010
Floyd	Magistrate	July 1, 2007	\$123,257	\$126,087	\$128,990
Franklin	Magistrate	July 1, 2007	\$123,257	\$126,087	\$128,990
Hamilton	Magistrate	July 1, 2007	\$123,257	\$126,087	\$128,990
Jackson	Court	January 1, 2009		\$78,068	\$159,789
Putnam	Court	January 1, 2009		\$78,068	\$159,789
Totals			<u>\$369,770</u>	<u>\$534,398</u>	<u>\$706,548</u>

Background Information on New Court Costs: Under IC 33-38-5-8.1, salaries of judicial officers are adjusted each year by the amount that executive staff in the same salary bracket are paid. Between FY 2001 and FY 2005, salary adjustments for state employees in the executive branch ranged from no salary increase in 2002 to an increase of 4% in 2001. For this analysis, judicial officers are assumed to receive a 2.5% annual salary increase.

State expenditures associated with this bill will also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for these persons will depend on future decisions of the executive branch. The state could absorb an increasing amount of the new health insurance costs or require employees to assume a larger share of the health insurance costs.

The following costs are expected for each fiscal year based on the salaries specified in the statute and by a projected increase in salary for judicial officers. The following tables show the projected costs for these new judges and new magistrates.

Projected Salaries and Benefits Based on Statute for Judges by Fiscal Year					
Benefits	2007	2008	2009	2010	2011
Salary*	\$115,282	\$118,164	\$121,118	\$124,146	\$127,250
Life Insurance	\$415	\$425	\$436	\$447	\$458
Social Security	\$8,819	\$9,040	\$9,266	\$9,497	\$9,735
Judges Retirement Fund - Judge	\$11,933	\$12,231	\$12,537	\$12,851	\$13,172
Disability Insurance	\$2,628	\$2,694	\$2,761	\$2,831	\$2,901
Costs for Judicial Center	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Deferred Comp State Match and Leave Conversion	\$234	\$234	\$234	\$234	\$234
Health, Dental, and Vision (blended rate)	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784
Total Cost Per Judicial Officer	<u>\$149,096</u>	<u>\$152,572</u>	<u>\$156,136</u>	<u>\$159,789</u>	<u>\$163,534</u>

* Assumes an annual salary increase of 2.5%.

Projected Salaries and Benefits Based on Statute for Magistrates by Fiscal Year					
Benefits	2007	2008	2009	2010	2011
Salary*	\$92,226	\$94,531	\$96,894	\$99,317	\$101,800
Life Insurance	\$332	\$340	\$349	\$358	\$366
Social Security	\$7,055	\$7,232	\$7,412	\$7,598	\$7,788
PERF - Magistrate	\$8,761	\$6,617	\$6,783	\$6,952	\$9,671
Disability Insurance	\$2,103	\$2,155	\$2,209	\$2,264	\$2,321
Costs for Judicial Center	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Deferred Comp State Match and Leave Conversion	\$234	\$234	\$234	\$234	\$234
Health, Dental, and Vision (blended rate)	\$8,784	\$8,784	\$8,784	\$8,784	\$8,784
Total Cost Per Magistrate	\$120,495	\$123,257	\$126,087	\$128,990	\$131,964

* Assumes an annual salary increase of 2.5%.

Explanation of State Revenues:

Explanation of Local Expenditures: These counties could incur additional costs for new court space, support staff, or office equipment.

Explanation of Local Revenues:

State Agencies Affected: Indiana Supreme Court – Indiana Judicial Center and Division of State Court Administration.

Local Agencies Affected: Floyd, Franklin, Hamilton, Jackson, and Putnam Counties.

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for the Judges' Retirement Fund; Office of State Court Administration; State Budget Agency.

Fiscal Analyst: Mark Goodpaster, 317-232-9852.