



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 299 of the 131st G.A.

Date: May 16, 2016

Status: As Passed by the Senate

Sponsor: Sen. Hottinger

Local Impact Statement Procedure Required: Yes

Contents: Perry County Municipal Court

State Fiscal Highlights

STATE FUND

FY 2018 – FUTURE YEARS

General Revenue Fund (GRF)

Revenues - 0 -

Expenditures Annual increase estimated at between \$34,000 and \$39,000

Note: The state fiscal year is July 1 through June 30. For example, FY 2018 is July 1, 2017 – June 30, 2018.

Note: Based on the judicial compensation schedule in H.B. 64 of the 131st General Assembly.

- Beginning January 2018, the creation of a full-time municipal court judgeship will increase the amount of GRF funding that the Supreme Court of Ohio disburses in the form of state support for a judgeship by between \$34,000 and \$39,000 annually.

Local Fiscal Highlights

LOCAL GOVERNMENT

CY 2018 – FUTURE YEARS

Perry County

Revenues Potential annual gain from prosecutorial agreements

Expenditures Annual increase of \$50,000 or more

Municipalities within Perry County

Revenues - 0 -

Expenditures Potential annual prosecutorial savings effect

Note: For most local governments, including Perry County, the fiscal year is the calendar year.

- Beginning January 2018, the creation of a full-time municipal court judgeship will increase judicial compensation-related expenditures for Perry County by an estimated \$34,768 annually.
- Beginning January 2018, the Clerk of the Perry County Court of Common Pleas will assume the duties of the clerk for the Perry County Municipal Court resulting in an increase in compensation and related benefits paid by the county estimated at \$14,751 annually.

- Perry County will incur approximately \$5,000 in the first year to make administrative changes as a result of the name change for the court (e.g., letterhead, signage, and other localized products).
 - Perry County is not expected to add new staff, new offices, or new courtroom space to change from a county court to a municipal court.
 - The bill requires the Perry County Prosecuting Attorney to prosecute all violations of state law in the Perry County Municipal Court. The Perry County Prosecuting Attorney expects that this increased caseload can be absorbed and not require additional staff to be hired. The magnitude of any resulting annual savings effect for municipal prosecutors that would likely see their caseloads decrease is uncertain.
 - The bill permits the Perry County Prosecuting Attorney to enter into an agreement (including a fee) with any municipal corporation in Perry County to prosecute nonstate law violations. Whether the affected local prosecuting attorneys will make such agreements is uncertain. Thus, any changes in annual revenues and expenditures that might result from such arrangements for Perry County and its municipal corporations are uncertain as well.
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Detailed Fiscal Analysis

Creation of Perry County Municipal Court and judgeship

Effective January 1, 2018, the bill eliminates the Perry County County Court, eliminates the part-time judgeship in that court, establishes the Perry County Municipal Court, and establishes one full-time judgeship in the Perry County Municipal Court. The resulting increases in judicial compensation-related costs are described in more detail below.

Judicial compensation-related costs

Base salary

County court judgeship. The state and Perry County currently have expenses to support a part-time county court judgeship. The annual salary for a part-time county court judge is estimated at \$72,400 for calendar year (CY) 2017, and consists of a local and state share determined by statute as follows:

- The *local share* is \$35,500 per year.
- The *state share* is equal to the annual salary minus the local share, or \$36,900 annually.

In CY 2018, the base salary of a part-time county court judge will increase by approximately 5% to \$76,050, and in CY 2019, it will increase by another approximately 5% to \$79,900. The state share will increase to \$40,550 and \$44,400 in each year respectively as the total base salary increases. The local share will remain constant at

\$35,500. Absent a statutory change, the annual salary and related state and local shares will not change after CY 2019.

Municipal court judgeship. The annual salary of a full-time municipal court judge is estimated at \$125,850 in CY 2017, and consists of a local and state share determined by statute as follows:

- The *local share* is \$61,750 per year.
- The *state share* is equal to the annual salary minus the local share, or \$64,100 annually.

In CY 2018, the base salary of a full-time municipal court judge will increase by approximately 5% to \$132,150, and in CY 2019, it will increase by another approximately 5% to \$138,850. The state share will increase to \$70,400 and \$77,100 in each year respectively as the total base salary increases. The local share will remain constant at \$61,750. Absent a statutory change, the annual salary and related state and local shares will not change after CY 2019.

To summarize, the result of replacing a part-time county court judgeship with a full-time municipal court judgeship in terms of the state and local shares of their base salaries is as follows:

- The state's share of the base salary will increase each year as the base pay increases from part- to full-time and the salaries for all judges increase by approximately 5% in each of CY 2018 and CY 2019. The state's share of base pay increases by \$29,850 in CY 2018, and \$32,700 in CY 2019.
- Perry County's share of the base annual salary will increase by \$26,250, from \$35,500 per year to \$61,750 per year.

Retirement

State and local elected officials are exempt from membership in the Public Employees Retirement System (PERS), unless they choose to become members. As most elected officials do accept membership in PERS, this analysis includes PERS payments.

The state and Perry County contribute at the rate of 14% of their share amounts, respectively. Under that PERS contribution formula, Perry County will expend an additional \$3,675 annually, while the state will expend an additional \$4,179 in CY 2018 and \$4,578 in subsequent years.

Payroll-related charges

The state and Perry County also pay for other payroll-related charges, as detailed below.

The state pays for a total of 3.52% in payroll-related charges as follows: 1.45% of gross salary for Medicare for all employees hired after April 1986, 0.10% for workers' compensation, 0.30% for the Department of Administrative Services' payroll services, 0.27% for Office of Budget and Management services, 0.01% to the Equal Employment Opportunity Commission, 0.69% for Office of Information Technology services, 0.46%

to the Ohio Administrative Knowledge System, and 0.24% for group life insurance. These miscellaneous annual contributions will increase state expenses by \$1,051 in CY 2018 and \$1,151 in subsequent years.

Perry County pays 1.45% of gross salary for Medicare, 3.0% for workers' compensation, and approximately \$24,000 for health insurance. The increase of these miscellaneous contributions will cost the county an additional \$4,843 annually.

Other costs

Perry County will incur approximately \$5,000 in the first year to make administrative changes as a result of the name change for the court (e.g., letterhead, signage, and other localized products). Perry County is not expected to add new staff, new offices, or new courtroom space as a result of the bill.

Clerk of courts

The Clerk of the Court of Perry County will assume the role of the clerk of the Perry County Municipal Court. By assuming these duties, the clerk is statutorily entitled to additional compensation equal to $\frac{1}{4}$ the rate set forth under continuing law. This increase, before benefits are calculated, brings the base salary to \$62,266 annually from \$49,813, an increase of \$12,453. The total additional annual cost to Perry County, including retirement, workers' compensation, and Medicare, is estimated at \$14,751.

The replacement of the existing county court with a municipal court is not expected to result in any staffing changes or related operating expenses.

Local prosecuting attorneys

Violations of state law

Under current law, municipal prosecutors prosecute violations of state law in the Perry County Court. The bill requires the Perry County Prosecuting Attorney to prosecute all violations of state law in the Perry County Municipal Court. This means that the volume of cases prosecuted by the county prosecutor will increase, but the likely magnitude of that increase is unknown. The Perry County Prosecuting Attorney expects that this increased caseload can be absorbed and not require additional staff to be hired. The magnitude of any resulting annual savings effect for municipal prosecutors that would likely see their caseloads decrease is uncertain.

Violations other than state law

The bill permits the Perry County Prosecuting Attorney to enter into an agreement with any municipal corporation in Perry County by which the Prosecuting Attorney prosecutes all cases brought in the Perry County Municipal Court for violations of the municipal corporation's ordinances or for offenses other than violations of state law occurring within the municipal corporation. For prosecuting these cases under such an agreement, the Prosecuting Attorney is permitted to agree upon a fee to be paid by the municipal corporation.

Whether the affected local prosecuting attorneys will make such agreements is uncertain. Thus, any changes in annual revenues and expenditures that might result from such arrangements for Perry County and its municipal corporations are uncertain as well.

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