

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6341
BILL NUMBER: SB 141

DATE PREPARED: Jan 5, 2000
BILL AMENDED:

SUBJECT: Composition of Supreme Court.

FISCAL ANALYST: Susan Preble
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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State

STATE IMPACT	FY 2000	FY 2001	FY 2002
State Revenues			
State Expenditures		1,006,354	865,354
Net Increase (Decrease)		(1,006,354)	(865,354)

Summary of Legislation: This bill increases the number of justices on the Supreme Court from five to seven.

Effective Date: July 1, 2000.

Explanation of State Expenditures: (Revised) *The addition of two justices and their staffs to the state payroll is estimated to increase state expenditures by \$1,006,354 in FY 2001 and \$865,354 in FY 2002.*

The additional salary cost to the state in FY 2001 and 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.

A Supreme Court justice is currently allowed to hire 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. The additional staff cost to the state in FY 2001 and 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] in FY 2002. 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 that \$200,000 in additional expenses will be incurred in FY 2001 and \$64,000 in 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 (annually)
Initial start-up for furniture and computers of \$35,000 (FY 2001 only)
Start-up costs for a law library of \$35,000 (FY 2001 only) + \$2,000 annually for maintenance.
Rent of \$25,000* (annually)

* 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.

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.

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, Dir. of Trial Court Services, Div. of State Court Administration, 232-2542; Jane Seigel, Exec.Dir., Indiana Judicial Center, 232-1313; Meg Babcock, Counsel, Commission on Judicial Qualifications, 232-2542; Doug Cressler, Supreme Court Administrator, 232-2540.