

**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 6604
BILL NUMBER: HB 1157

NOTE PREPARED: Jan 19, 2006
BILL AMENDED: Jan 17, 2006

SUBJECT: Marion Superior Court.

FIRST AUTHOR: Rep. Richardson
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

STATE IMPACT	FY 2006	FY 2007	FY 2008
State Revenues			
State Expenditures	56,815	379,536	657,679
Net Increase (Decrease)	(56,815)	(379,536)	(657,679)

Summary of Legislation: (Amended) This bill has the following provisions:

- A. It increases the number of judges on the Marion Superior Court from: (1) 32 to 34 judges beginning January 1, 2007; and (2) 34 to 36 judges beginning January 1, 2009.
- B. It increases the total number of magistrates that a majority of the Marion Superior Court may appoint from: (1) four to six until January 1, 2008; and (2) six to eight beginning January 1, 2008.

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

Effective Date: Upon passage.

Explanation of State Expenditures: 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.

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 the following 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.

<u>Court</u>	<u>Effective Date</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Superior 33	Jan 1, 2007		\$73,546	\$150,522	\$154,036	\$157,639
Superior 34	Jan 1, 2007		\$73,546	\$150,522	\$154,036	\$157,639
Superior 35	Jan 1, 2009				\$77,018	\$157,639
Superior 36	Jan 1, 2009				\$77,018	\$157,639
Magistrates 5 & 6	Upon Passage*	\$56,815	\$232,443	\$237,756	\$243,203	\$248,786
Magistrates 7 & 8	Jan 1, 2008			\$118,878	\$243,203	\$248,786
Total Cost		<u>\$56,815</u>	<u>\$379,536</u>	<u>\$657,679</u>	<u>\$948,515</u>	<u>\$1,128,127</u>

* Assumes magistrates 5 and 6 would be on state payroll by April 1, 2006.

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					
<u>Benefits</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Salary*	\$110,500	\$113,262	\$116,094	\$118,996	\$121,971
Life Insurance	\$398	\$408	\$418	\$428	\$439
Social Security	\$8,453	\$8,665	\$8,881	\$9,103	\$9,331
Judges Retirement Fund - Judge / PERF - Magistrate	\$11,933	\$12,231	\$12,537	\$12,851	\$13,172
Disability Insurance	\$2,519	\$2,582	\$2,647	\$2,713	\$2,781
Costs for Judicial Center	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Deferred Comp State Match and Leave Conversion	\$654	\$654	\$654	\$654	\$654
Health, Dental, and Vision (blended rate)	\$8,291	\$8,291	\$8,291	\$8,291	\$8,291
Total Cost Per Judicial Officer	<u>\$143,748</u>	<u>\$147,093</u>	<u>\$150,522</u>	<u>\$154,036</u>	<u>\$157,639</u>

* Assumes an annual salary increase of 2.5%.

Projected Salaries and Benefits Based on Statute for Magistrates by Fiscal Year					
Benefits	2006	2007	2008	2009	2010
Salary*	\$88,400	\$90,610	\$92,875	\$95,197	\$97,577
Life Insurance	\$318	\$326	\$334	\$343	\$351
Social Security	\$6,763	\$6,932	\$7,105	\$7,283	\$7,465
Judges Retirement Fund - Judge / PERF - Magistrate	\$6,188	\$6,343	\$6,501	\$6,664	\$6,830
Disability Insurance	\$2,016	\$2,066	\$2,118	\$2,170	\$2,225
Costs for Judicial Center	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Deferred Comp State Match and Leave Conversion	\$654	\$654	\$654	\$654	\$654
Health, Dental, and Vision (blended rate)	\$8,291	\$8,291	\$8,291	\$8,291	\$8,291
Total Cost Per Magistrate	\$113,629	\$116,221	\$118,878	\$121,602	\$124,393

* Assumes an annual salary increase of 2.5%.

Explanation of State Revenues:

Explanation of Local Expenditures: Marion County would not 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 Office of State Court Administration.

Local Agencies Affected: Marion County.

Information Sources: Cale Bradford, Marion Superior Court; 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.