

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6488
BILL NUMBER: HB 1061

NOTE PREPARED: Dec 19, 2012
BILL AMENDED:

SUBJECT: Warrick County Courts Magistrate.

FIRST AUTHOR: Rep. Bacon
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2013	FY 2014	FY 2015
State Revenues			
State Expenditures		155,587	155,587
Net Increase (Decrease)		(155,587)	(155,587)

Summary of Legislation: This bill allows the judges of the Warrick circuit and two superior courts to jointly appoint a magistrate.

Effective Date: July 1, 2013.

Explanation of State Expenditures: A new magistrate for Warrick County courts is estimated to cost \$155,587 annually beginning in FY 2014.

Background Information- The salaries of circuit and superior court judges and magistrates can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC

33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

State expenditures associated with these new court officers 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 the persons filling these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table shows estimates of the total compensation (base salary and fringe benefits) of judges and magistrates during FY 2013. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Judges and Magistrates (FY 2013)		
<u>Benefits</u>	<u>Judges</u>	<u>Magistrates</u>
Salary	\$130,080	\$104,064
Life Insurance	\$169	\$135
Indiana Judicial Conference	\$1,000	\$1,000
Social Security	\$9,951	\$7,961
Disability Insurance	\$2,276	\$1,821
Retirement (see note)	\$36,751	\$29,401
Health, Dental, and Vision (blended rate)	\$11,205	\$11,205
Total Cost Per Judicial Officer	<u>\$191,432</u>	<u>\$155,587</u>

Note About Retirement Expenditures – LSA uses the normal cost of each active member less the member’s contribution (6% of payroll) to calculate the annual pension costs of judges and magistrates. Normal cost is defined as the present value of benefits accruing for a particular plan year. From 2006 to 2012, normal costs for the plan increased by more than 96%. This is due, in part, to increases in retirement and disability benefits.

Explanation of State Revenues:

Explanation of Local Expenditures: Warrick County may need to add office space or clerical staff to assist this new magistrate.

Explanation of Local Revenues:

State Agencies Affected: Office of State Court Administration, Indiana Supreme Court, Indiana Judicial Center.

Local Agencies Affected: Warrick County Courts.

Information Sources: Office of State Court Administration, Indiana Supreme Court.

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