

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7326

BILL NUMBER: HB 1367

NOTE PREPARED: Jan 18, 2015

BILL AMENDED:

SUBJECT: Greene County Courts Magistrate.

FIRST AUTHOR: Rep. Ubelhor

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows the judge of the Greene Circuit Court and the judge of the Greene Superior Court to jointly appoint one full-time magistrate.

(The introduced version of this bill was prepared by the Interim Study Committee on Courts and the Judiciary.)

Effective Date: July 1, 2015.

Explanation of State Expenditures: A new magistrate for Greene County is estimated to cost about \$158,000 annually beginning in FY 2016.

Additional 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 presents an estimate of the total compensation (base salary and fringe benefits) of magistrates for FY 2016. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Magistrates (FY 2016)	
<u>Benefits</u>	<u>Magistrates</u>
Salary	\$106,996
Life Insurance	\$160
Indiana Judicial Conference	\$1,000
Social Security	\$8,185
Disability Insurance	\$1,872
Retirement (see note)	\$27,718
Health, Dental, and Vision (blended rate)	\$12,204
Total Cost Per Judicial Officer	<u>\$158,135</u>

Note About Retirement Expenditures – LSA uses the four-year average of normal costs between FY 2010 and FY 2013 of each active member of the Judges Retirement Fund less the member’s contribution (roughly 6% of payroll) to calculate the annual retirement costs of magistrates.

Normal cost is defined as the present value of benefits accruing for a particular plan year. From 2006 to 2013, 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: Greene County has adequate court room space, but may need to add more support staff.

Explanation of Local Revenues:

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

Local Agencies Affected: Greene Circuit and Superior Courts.

Information Sources: Office of State Court Administration; Indiana Supreme Court; Indiana Public Retirement System; State Budget Agency Operating Budget Instructions FY 2016 - 2017; Testimony before the Interim Study Committee on Courts and the Judiciary, September 18, 2014

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