

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4367-03
Bill No.: CCS for HCS for SB 735
Subject: Attorneys; Boards, Commissions, Committees, and Councils; Courts
Type: Original
Date: May 11, 2016

Bill Summary: This proposal modifies provisions related to judicial proceedings.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	\$0	More than \$100,000	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0	More than \$100,000	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Statewide Court Automation Fund	\$0	\$0	\$4,166,667	\$5,000,000
Basic Civil Legal Services Fund	\$0	\$0	\$1,450,000	\$2,900,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$5,616,667	\$7,900,000

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Total Estimated Net Effect on FTE	0	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Local Government	\$0	More than \$100,000	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§476.055, 477.650 Statewide Court Automation Fund and Basic Civil Legal Services Fund:

Officials at the **Office of the State Courts Administrator** assume this proposed legislation extends expiration dates for Statewide Court Automation Fund and the Basic Civil Legal Services Fund. Section 476.055 would extend the Statewide Court Automation fund until September 1, 2023. The fund is used for basic ongoing maintenance of the technological needs of the courts statewide and constitutes approximately 45 percent of our total automation expenditures, with the rest coming from general revenue. If the fund would be allowed to sunset in September 2018, the judiciary would anticipate a budget request for general revenue of approximately \$5 million and 34 FTE in fiscal 2019 and each year after that.

Section 476.650 would extend the Basic Civil Legal Services fund to December 31, 2025. The funds are distributed to the four Federal Legal Services Corporations in the State of Missouri to provide legal services in non-criminal matters to eligible low income persons. Over the last three years the fee has raised approximately \$2.9 million per year. If the fund would be allowed to sunset in December 2018, the judiciary would anticipate a budget request for general revenue of approximately \$2.9 million in fiscal 2019 and each year after that.

Officials at the **Office of the State Treasurer** and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

Oversight notes this proposal extends the expiration dates on the Statewide Court Automation Fund and the Basic Civil Legal Services Fund to September 1, 2023 and December 31, 2025 respectively. Oversight will reflect the following revenue to be continued to be received into these two funds as a result of this bill as follows:

	<u>FY 2019</u>	<u>FY 2020 (full year)</u>
Statewide Court Automation Fund		
- expires September 1, 2018 (for 10 months in FY 2019)	\$4,166,667	\$5,000,000
Basic Civil Legal Services Fund		
- expires December 1, 2018 (for 6 months in FY 2019)	\$1,450,000	\$2,900,000

ASSUMPTION (continued)

§§600.042, 600.090 Public Defenders:

In response to a similar proposal from this year (SB 705), officials from the **Office of the State Public Defender (SPD)** stated this bill postpones the required implementation date for public defender district offices to realign themselves concurrently with judicial circuits until after the 2020 realignment of judicial circuits authorized under Section 478.078, avoiding the likelihood that SPD would realign its offices to match existing judicial circuits by 2018 only to have to re-do those efforts two years later.

The SPD has 33 trial district offices serving 45 judicial circuits and 115 counties. By statute, office space for these district offices is provided and paid for by the counties served by that district office, each county paying a proportion of the total rent and utilities according to comparative population. Each time the geographic boundaries of a defender office's area of service are changed, the leases which the counties have signed and the respective payment obligations of all the counties involved, are also impacted. Because of the significant complications involved in realignment of offices, avoiding the necessity of back to back realignments makes fiscal and operational sense.

As stated by the SPD above, without this bill several office realignments may need to occur in 2018, which is shortly before the 2020 realignment of judicial circuits occurs (as authorized under Section 478.073). Therefore, **Oversight** concurs that this proposal may, in effect, save money for the state's SPD as well as the counties who help support them. It is not possible to measure the amount of potential savings to the state and counties until the details of the 2020 realignment are available.

For example, as part of the report submitted to fulfill requirements of Section 600.042, the SPD stated that currently there is a Public Defender (PD) District office in Callaway County (Fulton). Callaway County is currently part of the 13th Judicial Circuit along with Boone County. A PD District Office already exists in Columbia, so the office in Fulton will need to move to another location within the 12th Judicial Circuit (currently Audrain, Montgomery and Warren Counties). However, the 2020 realignment may possibly move Callaway County out of the 13th Judicial Circuit and into the 12th Judicial Circuit, which could allow the PD District Office to be moved back to Fulton.

At the very least, this bill will delay the expense of implementing the SPD office realignments from 2018 to 2021.

For purposes of this fiscal note, **Oversight** will reflect a savings of More than \$100,000 in FY 2018 to the state as well as local political subdivisions, as the SPD realignment will be delayed

ASSUMPTION (continued)

until after the 2020 realignment of judicial circuits. In some cases, the costs may simply be delayed until 2020; however, in some cases, a cost avoidance (of moving twice in three years) may occur.

In response to a similar proposal from 2015 (SB 91), officials from the **SPD** stated that eliminating the biennial sweep of the Legal Defense and Defender Fund will assist the Public Defender System with budgeting of expenditures from the fund. A large percentage of the monies collected from prior public defender clients, is during the tax intercept season, March, April and May. This affords very little time to budget and expend the monies collected. Eliminating the sweep would allow constant fiscal year spending rather than a flurry at the end of every two years. The SPD states the biennial sweep of this fund occurs on odd number fiscal years (FY 2015).

Oversight notes that according to Office of the State Treasurer (STO) reports, the balance of Legal Defense and Defender Fund (0670) as of March 31, 2016 was \$626,628. The STO also noted that this fund has not had monies swept into the General Revenue Fund recently. Therefore, Oversight will assume the proposed changes regarding this fund would not have a fiscal impact on this fund or the General Revenue Fund.

<u>FISCAL IMPACT - State</u>	FY 2017			Fully Implemented
<u>Government</u>	(10 Mo.)	FY 2018	FY 2019	(FY 2020)

GENERAL REVENUE

<u>Cost Avoidance and/or Cost Delaying - SPD</u> §600.042- delaying the realignment of SPD offices until after the judicial circuit realignment	<u>\$0</u>	<u>More than \$100,000</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	<u>More than \$100,000</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - State Government (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
STATEWIDE COURT AUTOMATION FUND				
<u>Income</u> - receipts received (FY '19 is for 10 months) \$476.055	<u>\$0</u>	<u>\$0</u>	<u>\$4,166,667</u>	<u>\$5,000,000</u>
ESTIMATED NET EFFECT ON STATEWIDE COURT AUTOMATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$4,166,667</u>	<u>\$5,000,000</u>
BASIC CIVIL LEGAL SERVICES FUND				
<u>Income</u> - receipts received (FY '19 is for 6 months) \$477.650	<u>\$0</u>	<u>\$0</u>	<u>\$1,450,000</u>	<u>\$2,900,000</u>
ESTIMATED NET EFFECT ON BASIC CIVIL LEGAL SERVICES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$1,450,000</u>	<u>\$2,900,000</u>
FISCAL IMPACT - Local Government				
	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
COUNTIES				
<u>Cost Avoidance and/or Cost Delaying</u> - SPD - delaying the realignment of SPD offices until after the judicial circuit realignment	<u>\$0</u>	<u>More than \$100,000</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO COUNTIES	<u>\$0</u>	<u>More than \$100,000</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§476.055 - the Statewide Court Automation Fund fee is set to expire on September 1, 2018; this bill extends the expiration date to September 1, 2023. The Court Automation Committee is currently required to complete its duties prior to September 1, 2020, this bill extends that date to September 1, 2025.

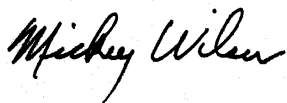
§477.650 - the Basic Civil Legal Services Fund is currently set to expire on December 31, 2018. This bill extends the expiration date to December 31, 2025.

§600.042 - under current law, the director of the State Public Defender System must implement a plan to establish district offices that align with judicial circuit boundaries by December 31, 2018. This act extends the date of implementation to December 31, 2021. Current law allows the director of the Missouri State Public Defender System to delegate the legal representation of any person to any licensed attorney. This act specifies that the director can delegate the legal representation of people who are eligible for representation by the Public Defender System.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Office of the State Treasurer
Office of the State Public Defender
Office of Prosecution Services



Mickey Wilson, CPA
Director
May 11, 2016

Ross Strope
Assistant Director
May 11, 2016