

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4895-03
Bill No.: Truly Agreed To and Finally Passed SCS for SB 585
Subject: Judges; Courts; Courts, Juvenile; Elections; State Employees; Retirement - State
Type: Original
Date: February 16, 2016

Bill Summary: This proposal divides the Thirty-Eighth Judicial Circuit and creates a new Forty-Sixth Judicial Circuit.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$415,867 to \$815,867)	(\$575,497)	(\$575,899)
Total Estimated Net Effect on General Revenue	(\$415,867 to \$815,867)	(\$575,497)	(\$575,899)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

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

* Expenses and program reimbursements of approximately \$23,000 annually.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	5.66 FTE	5.66 FTE	5.66 FTE
Federal	0.34 FTE	0.34 FTE	0.34 FTE
Total Estimated Net Effect on FTE	6 FTE	6 FTE	6 FTE

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
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the State Courts Administrator (OSCA)** assume the proposed legislation divides the thirty-eighth judicial circuit and creates a new forty-sixth judicial circuit. Beginning January 1, 2017, the proposed legislation would divide the 38th judicial circuit consisting of Christian and Taney counties into two judicial circuits who shall sit in divisions numbered one and two. The circuit judge who sat as the only circuit judge in the 38th judicial circuit shall hold office for the remainder of the term to which he or she was elected or appointed and until his or her successor is elected and qualified. The circuit judge in division two shall be elected in 2016. Taney County would be in a new 46th judicial circuit.

For a presiding circuit judge, the cost is as follows:

Circuit Court Judge:	Salary - \$148,263, Fringe - \$110,119
Court Reporter:	Salary - \$ 57,178, Fringe - \$ 29,733
Secretary:	<u>Salary - \$ 38,928, Fringe - \$ 20,923</u>
Totals	Salary - \$244,369, Fringe - \$160,775

In addition, the legislation would create a new single county circuit which would require a chief juvenile officer, paid by the state per statute 211.393. It is assumed juvenile staff will be divided between Christian and Taney counties.

Juvenile Officer:	Salary - \$48,100, Fringe - \$25,013
Juvenile Secretary	Salary - \$34,944, Fringe - \$18,172

In addition, there would be cost for computer equipment and associated costs for the five new FTE totaling \$16,625.

Also, the separation of county Judiciary Information System information into two databases (if required), would cost from \$100,000 to \$500,000 in contractual services. The total annual cost for this legislation would be \$382,312 to \$782,312 in FY 2017 and \$531,373 for FY 18 and FY 19 with 5 FTE each year.

After the fiscal note for the perfected version of the bill was prepared, **Oversight** was notified that the Department of Social Services may have a fiscal impact from the bill. Later, officials from the **Department of Social Services (DSS)** stated the following divisions would be impacted by the proposal:

ASSUMPTION (continued)

Children's Division - presently the management structure for the Children's Division allows for the two county circuit of Christian and Taney Counties to be managed by one circuit manager. The Children's Division would expect to need an additional FTE as an additional circuit manager to accommodate the change in structure resulting from the creation of the 46th Circuit. In addition to required management structural changes resulting from the creation of the new 46th circuit, the Children's Division anticipates an additional fiscal impact resulting from costs to make changes to the Family and Children Electronic System (FACES) to accommodate the electronic documentation necessary to conduct the work of the Children's Division in the 46th Circuit. ITSD will provide the fiscal estimate of costs for those changes.

FY 17: \$36,114 (\$23,835 GR) - six months
FY 18: \$66,854 (\$44,124 GR)
FY 19: \$67,464 (\$44,526 GR)

Division of Youth Services: DYS will need to modify various reports for the creation of a new Judicial Circuit. Costs for these changes will be absorbed in existing resources. ITSD will provide the fiscal estimate for their costs.

Division of Legal Services: DLS does not anticipate any fiscal impact. The 38th circuit currently utilizes a different juvenile court judge for each county, and so DLS will not need to attend additional hearings as a result of splitting the circuit.

DFAS/Research: DFAS will need to modify various reports for the creation of a new Judicial Circuit. Costs for these changes will be absorbed in existing resources.

ITSD: FACES and reporting changes for DYS will require system changes resulting in a cost of \$16,200 (\$9,720 General Revenue and \$6,480 Federal Funds).

Officials at the **Missouri State Employees' Retirement System (MOSERS)** assume the proposed legislation would, if enacted, transfer Taney County from the 38th judicial circuit to a newly established 46th judicial circuit, effective January 1, 2017, and specify that the 38th judicial circuit would be comprised solely of Christian County, resulting in both being single county circuits of the first classification. (Presently, the 38th judicial circuit is comprised of Taney and Christian Counties and is identified as a multi-county circuit.) The proposal also would provide that in a single county circuit that changed from a multi-county circuit on or after August 28, 2016, any juvenile court employee, who receives all salary from the state, would be a state employee. These juvenile employees would be eligible to receive state provided benefits including retirement benefits from MOSERS, while employed in that circuit and not be subject to

ASSUMPTION (continued)

restrictions set forth in Section 211.393.2, RSMo, that otherwise would prevent juvenile court employees employed in a single county circuit from receiving state provided benefits.

In 1998, legislation was enacted (subsequently codified under section 211.393, RSMo) that created a single county/multi-county structure which defined how juvenile court employees would be treated for purposes of salaries, retirement, health insurance and other fringe benefits. Under that legislation, a single county circuit is defined as a judicial circuit composed of a single county of the first classification and a multi-county circuit is defined as all other judicial circuits not included in the definition of a single county circuit. As a result, juvenile court employees in multi-county circuits are considered state employees and are covered by MOSERS for retirement purposes.

The schedule below illustrates the number, position, annual pay and years of service of juvenile court employees currently working in the 38th judicial (multi-county) circuit who are state employees covered by MOSERS.

Classification	Annual Salary	MOSERS-Covered Service
Juvenile Officer II	\$36,204	0 years, 1 months
Juvenile Officer II	\$36,888	17 years, 5 months
Juvenile Officer II	\$37,548	18 years, 3 months
Juvenile Officer II	\$36,888	10 years, 9 months
Juvenile Officer III	\$41,172	Vacant
Juvenile Officer III	\$41,940	21 years, 8 months
Juvenile Officer IV	\$44,304	6 years, 7 months
Secretary II	\$27,660	15 years, 7 months
Court Program Specialist	\$32,052	21 years, 8 months

Officials at **Christian County** assume a cost of \$95,000 for an additional judge for Christian County.

Officials at Taney County did not respond to **Oversight's** request for fiscal impact.

Oversight assumes OSCA has standards on the number of cases to be met before hiring additional FTE for any circuit. This cost is OSCA's responsibility and any additional FTE request would need to be issued through the state appropriation process. Therefore, the cost for the additional Judge for Christian County would have no fiscal impact to the state at this time.

ASSUMPTION (continued)

Oversight assumes from this proposal that FY 2017 would contain cost for one half of the year since the start date would not be until January 1, 2017, and cost would be for a full year in fiscal years 2018 and 2019. Oversight has reflected these costs in the chart.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (6 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Costs - OSCA</u>			
Personal Service	(\$163,707)	(\$327,413)	(\$327,413)
Fringe	(\$101,980)	(\$203,960)	(\$203,960)
Equipment and Expense plus computer programming	(\$116,625 to <u>\$516,625</u>)	<u>\$0</u>	<u>\$0</u>
<u>Total Cost - OSCA</u>	(\$382,312 to \$782,312)	(\$531,373)	(\$531,373)
FTE Change - OSCA	5 FTE	5 FTE	5 FTE
<u>Costs - DSS</u>			
Personal Service (0.66 FTE)	(\$13,840)	(\$27,957)	(\$28,237)
Fringe	(\$7,111)	(\$14,299)	(\$14,375)
ITSD programming	(\$9,720)	\$0	\$0
Expense and Equipment	<u>(\$2,884)</u>	<u>(\$1,868)</u>	<u>(\$1,914)</u>
<u>Total Costs - DSS</u>	<u>(\$33,555)</u>	<u>(\$44,124)</u>	<u>(\$44,526)</u>
FTE Change - DSS	0.66 FTE	0.66 FTE	0.66 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	(\$415,867 to <u>\$815,867</u>)	<u>(\$575,497)</u>	<u>(\$575,899)</u>
Estimated Net FTE Change for General Revenue	5.66 FTE	5.66 FTE	5.66 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2017 (6 Mo.)	FY 2018	FY 2019
FEDERAL FUNDS			
<u>Costs - DSS</u>			
Personal Service (0.34 FTE)	(\$7,130)	(\$14,402)	(\$14,546)
Fringe	(\$3,664)	(\$7,366)	(\$7,405)
ITSD programming	(\$6,480)	\$0	\$0
Expense and Equipment	<u>(\$1,485)</u>	<u>(\$963)</u>	<u>(\$986)</u>
Total Costs - DSS	(\$18,759)	(\$22,731)	(\$22,937)
FTE Change - DSS	0.34 FTE	0.34 FTE	0.34 FTE
 <u>Program Reimbursement - DSS</u>	 <u>\$18,759</u>	 <u>\$22,731</u>	 <u>\$22,937</u>
 ESTIMATED NET EFFECT TO FEDERAL FUNDS			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 Estimated Net FTE Change for General Revenue	 0.34 FTE	 0.34 FTE	 0.34 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2017 (6 Mo.)	FY 2018	FY 2019
	<u>\$0</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

Currently, the Thirty-Eighth Judicial Circuit consists of Christian and Taney counties. The act provides that the Thirty-Eighth Judicial Circuit shall consist of only Christian County and creates a new Forty-Sixth Judicial Circuit consisting of Taney County. Currently, the Thirty-Eighth Judicial Circuit has one circuit judge, and the act provides that the circuit shall have two with the new second judge being elected in 2016. The Forty-Sixth Judicial Circuit shall have one circuit judge also elected in 2016.

FISCAL DESCRIPTION (continued)

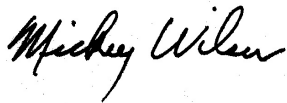
Juvenile officers employed in a multi-county circuit which switches to a first class single county circuit on or after August 28, 2016, are state employees and shall receive state-provided benefits.

This proposal contains an emergency clause.

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
Department of Social Services
Missouri State Employee Retirement
Christian County



Mickey Wilson, CPA
Director
February 16, 2016

Ross Strobe
Assistant Director
February 16, 2016