

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 16, 2015

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1139** by Huffman (Relating to the operation and administration of and practice in courts in the judicial branch of state government and the composition of certain juvenile boards.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1139, Committee Report 1st House, Substituted: a negative impact of (\$2,821,821) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$1,157,837)
2017	(\$1,663,984)
2018	(\$1,944,066)
2019	(\$2,000,733)
2020	(\$2,015,066)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$1,157,837)	5.0
2017	(\$1,663,984)	7.8
2018	(\$1,944,066)	9.0
2019	(\$2,000,733)	9.0
2020	(\$2,015,066)	9.0

Fiscal Analysis

The bill would amend the Government Code to remove Kendall County from the 216th Judicial District. Under provisions of the bill, the 216th Judicial District would be composed of Gillespie and Kerr counties. The bill would create a new judicial district in Kendall County, the 451st Judicial District to be created on January 1, 2017.

The bill would amend the Government Code to so that voters in the 451st Judicial District would elect a criminal district attorney to represent the state before the district court. The criminal district attorney would be listed within the Professional Prosecutors Act and would receive state compensation in an amount equal to that paid by the state to a district judge.

The bill would amend the Government Code to create new judicial districts in: Coryell County, the 440th district Judicial District created January 1, 2017; Ector County, the 446th Judicial District created September 1, 2015; Harris County, the 507th Judicial District created January 1, 2017; Collin County, the 469th and 470th Judicial Districts both created September 1, 2015, and Fort Bend County, the 505th Judicial District created September 1, 2015.

The bill would amend the Government Code within the Professional Prosecutors Act effective September 1, 2015 to add the state prosecutor of the 132nd Judicial District and the county attorney performing the duties of a district attorney in Aransas County. This state prosecutor of the 132nd Judicial District and the county attorney for Aransas County would be prohibited from the private practice of law.

The bill would amend the Government Code within the Professional Prosecutors Act effective January 1, 2017 to remove the state prosecutor of the 25th Judicial District and add the county attorney performing the duties of a district attorney in Guadalupe County.

The bill would amend the Government Code to abolish the County Attorney office of Kendall County and the County Court at Law of Kendall County, effective January 1, 2017. Cases from these courts would be transferred to the 451st District Court.

The bill would amend the Government Code to create new statutory county courts: Cameron County, County Court at Law No. 4 would be created January 1, 2016 and County Court at Law No. 5 would be created January 1, 2018; Collin County, County Court at Law No. 7 would be created the effective date of the Act, or September 1, 2015; Fort Bend County, County Court at Law No. 5 would be created January 1, 2016; and Harris County, County Criminal Court at Law No. 16 would be created January 1, 2017.

The bill would amend the Government Code to require the state to annually compensate the administrative county of a multicounty statutory county court in an amount equal to 100 percent of a state district court judge salary, or \$140,000 for the salary of the judge of the multicounty statutory county court. Under provisions of the bill, Mitchell County would be removed from the 1st Multicounty Court at Law and Nolan County would be designated as the administrative county for this court, effective January 1, 2019.

The bill would amend the Government Code to repeal a provision that the State should compensate Fisher, Mitchell, and Nolan counties each an amount equal to 60 percent of a district judge's state salary using funding from the Judicial Fund.

The bill would amend the Government Code to abolish the 25th Judicial District in Gonzales and Guadalupe Counties, effective January 1, 2017. Under provisions of the bill, the District Attorney of the 25th Judicial District would be abolished, effective January 1, 2017.

Methodology

Amounts in the table above reflect the following analysis and assumptions:

The annual salary provided by the state for a district judge is \$140,000, in addition to benefits

(state contributions for group insurance and the Judicial Retirement System) which are estimated to be \$38,190 in fiscal year 2016 and \$38,686 in fiscal year 2017, with differences between the two years due to estimated increases in insurance costs. The total annual salary and benefits cost for a district judge is estimated to be \$178,190 in fiscal year 2016 and \$178,686 in fiscal year 2017 and subsequent years. These costs are traditionally met through a mix of General Revenue Fund and Judicial Fund No. 573 funding, however for the past several fiscal years Judicial Fund No. 573 revenues have not been sufficient to meet all judicial salary obligations. Due to this, General Revenue funding has been used to meet the remaining obligations. Therefore, this estimate assumes General Revenue funding would be needed to cover the full state obligations for any additional new courts created by the 84th Legislature. In addition, the cost for creation of the 440th District Court in Coryell County, the 451st District Court in Kendall County, and the 507th District Court in Harris County are prorated for eight months in fiscal year 2017 because these courts would be created on January 1, 2017. The addition of these new district courts would include an increase of 4.0 FTEs beginning in fiscal year 2017 and a prorated amount of 3.0 FTEs beginning in fiscal year 2018 due to these courts being created on January 1, 2017 with the FTE being fully counted in subsequent years.

For county courts at law, the annual recurring cost to the state would be \$84,000 from General Revenue. Under current law, the state provides a county court-at-law judge a salary supplement up to 60 percent of the state salary of a district judge (\$84,000). Traditionally, funding for this supplement is provided through Judicial Fund No. 573, however due to the aforementioned funding levels in Judicial Fund No. 573, it is estimated that General Revenue would be needed to meet these supplement obligations.

In addition, the costs for creation of certain courts are prorated for eight months due to court creation dates falling on January 1st within the fiscal year. This pertains to the following courts that the bill would create: County Court at Law No. 4 in Cameron County and County Court at Law No. 5 in Fort Bend County both created on January 1, 2016; County Criminal Court at Law No. 16 in Harris County created on January 1, 2017; and County Court at Law No. 5 in Cameron County created on January 1, 2018. These costs are slightly offset through savings from abolishment of the County Court at Law in Kendall county effective January 1, 2017, with savings in fiscal year 2017 prorated for eight months.

The annual salary for a district attorney listed in the Professional Prosecutors Act is \$140,000 from the state plus benefits which are estimated to be \$38,190 in fiscal year 2016 and \$38,686 in fiscal year 2017. According to the Comptroller of Public Accounts, the state is currently compensating the district attorney for the 132nd Judicial District an annual salary of \$112,000 plus \$23,796 in benefits for a total of \$135,796. Therefore, the state's obligations for this position would be \$42,394 in fiscal year 2016 and \$42,890 for fiscal year 2017 and subsequent years. Costs associated with listing the Criminal District Attorney in Kendall County and the County Attorney in Guadalupe County within the Professional Prosecutors Act are prorated in fiscal year 2017 due to this listing going into effect January 1, 2017. Additionally, savings from abolishment of the 25th Judicial District and removal of this district from the Professional Prosecutors Act is prorated in fiscal year 2017 due to this abolishment going into effect January 1, 2017. The bill would increase the number of FTEs for each position listed in the Professional Prosecutors Act with prorated amounts for fiscal years with January 1st effective dates and full FTEs counted in subsequent fiscal years. In total, 1.0 FTE is added beginning in fiscal year 2016 and two positions are added and one removed on January 1st in fiscal year 2017, resulting in a net 0.7 FTEs beginning in fiscal year 2017.

Finally, increasing the state compensation to the administrative county of the 1st Multicounty Court at Law to \$140,000 is offset by \$84,000 currently provided to the court as a state salary

supplement to the judge and \$13,000 provided each year for operational support for a net total of \$43,000. This amount is prorated for 8 months, or \$28,667) because this provision would go into effect on January 1, 2019.

Local Government Impact

The bill would establish new courts, which would require annual costs for personnel and operating expenses and in may require one-time costs, such as furniture, to establish.

According to the Comptroller of Public Accounts (CPA), Kerr County, Colin County, San Patricio County, Aransas County, Hidalgo County, El Paso County, and Gillespie County reported that the fiscal impact could not be determined.

According to the CPA, the Guadalupe County Auditor's Office reported a savings of \$77,036 in the county attorney's office for nine months in fiscal year 2017. There would be a savings of \$102,715 each year thereafter.

According to the CPA, the Scurry County Auditor's Office reported the county would no longer pay a monthly supplement of \$2,722 per month to the district attorney. There would be a savings of \$10,888 in fiscal year 2017 and a savings of \$32,644 each year thereafter. The Borden County District Attorney's Office reported that no fiscal impact is anticipated.

According to the CPA, Coryell County would be responsible for paying the salary and benefits for court personnel for the 440th Judicial District. The Coryell County Auditor's Office estimated the annual cost for the new court in fiscal year 2017-20 for salary and benefits would be \$312,500 and \$7,200 for operating expenses. The court is anticipated to generate about \$60,000 annually from fines and fees. There would be one-time start-up costs of \$80,000 and \$25,000 for new technology in fiscal year 2017.

According to the CPA, Ector County would be responsible for paying the salary and benefits for court personnel for the 446th Judicial District. The Ector County Auditor's Office estimates a 3.8 percent increase in expenditures for each fiscal year from 2016 to 2020. There would be a one-time expenditure of \$25,000 for furnishings and equipment in fiscal year 2015. The salary and benefits for personnel would be pro-rated for one month, which are anticipated to be \$16,797 for a total cost of \$41,797 in fiscal year 2015.

According to the CPA, Harris County would be responsible for paying the salary and benefits for 507th Judicial District court personnel. According to the Harris County Budget Office, fiscal year 2016 expenditures for the new court would be pro-rated for two months, totaling \$73,534. The expenditures would be \$905,224 in fiscal year 2017, \$932,381 in fiscal year 2018, \$960,352 in fiscal year 2019, \$989,163 in fiscal year 2019. Technology costs would be approximately \$3,660 for equipment. To implement the Harris County Court at Law No. 16, the estimated starting baseline would be \$2,333,661 in fiscal year 2017 and increasing by 2.45 percent every year thereafter.

According to the CPA, Collin County would be responsible for paying the salary and benefits for the 469th and 470th judicial family district courts' personnel. According to the Collin County Budget Office, the projected expenses for both courts total \$632,124 in fiscal year 2015. The projected technology cost for both courts is \$426,008; the one-time cost for furniture for both courts is \$112,436; the operations for both courts is \$32,970; and the one month pro-rated salary and benefits for six employees for both courts is \$60,710. According to the Collin County Budget office, the expenditures including salaries, benefits, and operations for both courts is \$762,970 in

fiscal year 2016. There will be an increase in expenses for both courts ranging from 1.6 percent to 2.5 percent for fiscal year 2017-2020.

According to the CPA, Fort Bend County Auditor's Office would be responsible for paying the salary and benefits for the 505th judicial district courts' personnel. The Fort Bend County Judge's Office reported a 2.35 percent increase in compensation and benefits for personnel and a 3 percent increase in operating costs. The projected costs would be an estimated \$1,733,600 for fiscal year 2017, \$1,759,940 in fiscal year 2018, \$1,789,869 in fiscal year 2019, \$1,814,401 in fiscal year 2020. Fiscal year 2016 costs would be pro-rated for one month totaling \$150,226.

According to the CPA, the Cameron County Auditor's Office reported a one-time start-up construction cost of approximately \$1 million for each building for the two courts. Additionally, there would a cost of \$540,000 per court per fiscal year for personnel, \$40,000 in operational expenditures per court per fiscal year and \$14,000 per court per fiscal year in technology expenditures. Cameron County also reported that the bill would generate additional fine revenue of \$45,000 per court per fiscal year.

According to the CPA, the Tarrant County Budget Office reported that to implement the bill's provision requiring a bailiff to be placed upon appointment or request by each judge in the court would cost Tarrant County approximately \$225,000 in fiscal year 2016 and increase each fiscal year by approximately 4.76 percent.

According to the CPA, the Atascosa County Auditor reported that the addition of a new juvenile board member would cost the county \$800 per year.

Finally, Fisher and Nolan Counties may realize possible county savings of up to \$55,000 annually since they would not have to provide compensation for a total salary of not less than \$1,000 less than the compensation of a district judge due to the bill setting the state compensation for this position at a district judge salary level.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 696 Department of Criminal Justice

LBB Staff: UP, AG, MW, GDz, KVe