

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 10, 2007

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1125 by Creighton (Relating to the creation of an additional judicial district in Montgomery County.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1125, As Engrossed: a negative impact of (\$195,448) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$93,475)
2009	(\$101,973)
2010	(\$101,973)
2011	(\$101,973)
2012	(\$101,973)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>JUDICIAL FUND</i> 573	Change in Number of State Employees from FY 2007
2008	(\$93,475)	(\$51,563)	1.0
2009	(\$101,973)	(\$56,250)	1.0
2010	(\$101,973)	(\$56,250)	1.0
2011	(\$101,973)	(\$56,250)	1.0
2012	(\$101,973)	(\$56,250)	1.0

Fiscal Analysis

The bill would amend Chapter 24, Government Code, to create a new judicial district in Montgomery County, the 418th Judicial District. The district would be created September 1, 2007 and the bill would take effect September 1, 2007.

Methodology

The annual salary provided by the state for a district judge is \$125,000, in addition to benefits (state contributions for group insurance and to the Judicial Retirement System) which are estimated to be \$33,223 annually. The total annual salary and benefits cost for a district judge is estimated to be \$158,223. Because the court would be created on September 1, 2007, the fiscal impact for the first year of court operations is prorated to reflect 11 rather than a full 12 months of operations. The county would pay all other costs.

Local Government Impact

According to information provided by the Montgomery County Budget Office, Montgomery County would be responsible for paying the salary and benefits for court personnel. According to the county Budget Office, the estimated annual cost of court personnel is \$606,135 (\$403,207 salary plus \$202,928 benefits).

There would be an estimated one-time, first year expenditure of \$205,143. This would include \$125,000 for court build out, \$62,693 for furniture and equipment, and \$12,000 for courtroom technology. There would also be a one-time estimated expense of \$5,450 for initial training of new employees. Expenditures in fiscal year 2008 would total \$811,278 and \$606,135 in fiscal years 2009, 2010, 2011, and 2012.

Montgomery County's fiscal year begins October 1. For fiscal year 2008, it is assumed that the proposed 418th Judicial District would be in a start-up mode and would generate no additional revenue to offset the cost of the additional judicial district. In the future, however, it is assumed that improved caseload management brought about by the creation of a new judicial district could result in higher revenue; however, the amount of increased revenues cannot be estimated.

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

LBB Staff: JOB, MN, ZS, JP, JM, KJG