

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 26, 2007

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: SB1951 by Wentworth (Relating to the creation, operation, and officers of certain courts and juvenile boards.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1951, Conference Committee Report: a negative impact of (\$2,322,152) 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	(\$1,073,974)
2009	(\$1,248,178)
2010	(\$1,286,418)
2011	(\$1,286,418)
2012	(\$1,286,418)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>JUDICIAL FUND 573</i>	Change in Number of State Employees from FY 2007
2008	(\$1,073,974)	(\$524,663)	10.0
2009	(\$1,248,178)	(\$620,756)	11.7
2010	(\$1,286,418)	(\$641,850)	12.0
2011	(\$1,286,418)	(\$641,850)	12.0
2012	(\$1,286,418)	(\$641,850)	12.0

Fiscal Analysis

The bill would amend Chapter 24, Government Code, to create two new judicial districts in Montgomery County, the 418th and 435th Judicial Districts. The bill would also amend Chapter 24, Government Code, to create two new judicial districts in Cameron County, the 444th and 445th Judicial Districts. The bill would also amend Chapter 24, Government Code, to create the 449th Judicial District in Hidalgo County. The bill would amend Chapter 24, Government Code, to add the 448th Judicial District in El Paso County. The bill would also amend Chapter 24, Government Code, to create the 506th Judicial District composed of Grimes and Waller Counties. The above seven judicial districts would be created September 1, 2007.

The bill would also amend Chapter 24, Government Code, to create a new Criminal District Court in El Paso County, the El Paso County Criminal Judicial District No. 1. The new criminal district court would be created September 1, 2007.

The bill would also amend Chapter 24, Government Code, to create a new judicial district in Bastrop, Burlison, Lee, and Washington Counties, the 423rd Judicial District. The court would be created October 1, 2007.

The bill would amend Chapter 24, Government Code, to create a new judicial district in Grayson County, the 397th Judicial District. The judicial district would be created September 15, 2008.

The bill would amend Chapter 24, Government Code, to create a new judicial district in Collin County, the 429th Judicial District. This additional district would be created January 1, 2009.

The bill would amend Chapters 43 and 46, Government Code, providing for the election of a district attorney for Nueces County and the election of a district attorney to serve Kleberg and Kenedy Counties. The bill would result in all three counties not being served by the same district attorney and would result in one new district attorney for Kleberg and Kenedy Counties. The new district attorney would be added September 1, 2007.

The bill would take effect September 1, 2007, unless otherwise noted.

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 397th Judicial District would not be created until September 15, 2008 this amount is prorated to 11.5 months in fiscal year 2009. Additionally, the 423rd Judicial District would not be created until October 1, 2007 the amount is prorated to 11 months in fiscal year 2008. Because the 429th Judicial District would not be effective until January 1, 2009, this amount (and the related FTE) are prorated to eight months in fiscal year 2009.

The bill would require that the state pay an additional \$6,000 per year in travel for the judge of the 423rd Judicial District because the district is composed of multiple counties.

The annual salary provided by the state for a district attorney is \$125,000, in addition to benefits (state contributions for group insurance and retirement) which are estimated to be \$19,685. The total annual salary and benefits cost for a district attorney is estimated to be \$144,685. In addition to this cost the state would also pay \$33,630 for office expenses and \$3,500 for travel expenses.

Local Government Impact

Montgomery County is currently served by the 9th, 221st, 284th, 359th and 410th judicial districts. This bill would create two additional judicial districts, the 418th and 435th, effective September 1, 2007. According to information provided by Montgomery County officials, no additional courtroom would be required to start the proposed 435th Judicial District. Montgomery County would pay for the salary and benefits for a court reporter and a court coordinator. The new court should be able to operate the first year with a court reporter only, incurring an annual expense of \$86,194 for salary and benefits. In the second year of operation, the 435th Judicial District would also require a court coordinator, incurring an additional annual expense of \$69,642.

For the proposed 418th Judicial District, Montgomery County would be responsible for paying the salary and benefits for court personnel. According to the Montgomery County Budget Office, the estimated annual cost of court personnel would be \$606,135 (\$403,207 salary plus \$202,928 benefits). There would be an estimated one-time expenditure of \$205,143 in fiscal 2008, which would include \$125,000 for court build out, \$62,693 for furniture and equipment, \$12,000 for courtroom

technology and \$5,450 for initial training of new employees.

Montgomery County's fiscal year begins October 1. For fiscal 2008, it is assumed that the proposed 418th and 435th judicial districts would be in start-up mode and would generate no additional revenue to offset the cost of the additional judicial districts. In the future, it is assumed that improved caseload management brought about by the creation of the new judicial districts could result in higher revenue; however, the amount of increased revenues cannot be estimated.

Bastrop County is currently served by the 21st and 335th judicial districts, which have jurisdiction in Bastrop, Washington, Burleson and Lee counties. Bastrop County is currently constructing a new jail facility, which will include a new courtroom. Courthouse security personnel positions for the proposed 423rd Judicial District are currently included in the county budget. According to Bastrop County officials, the cost for the new judicial district would total \$273,050 annually for salaries, benefits, transportation, equipment and furniture. There would also be one-time start-up costs of \$8,000 in fiscal 2008.

According to Lee County officials, the county's annual recurring costs for the new judicial district would total \$287,800, including \$30,000 for one court clerk; \$256,000 for other court staff and \$1,800 for the judge's expenses. There would also be one-time start-up costs of \$5,000 in 2008.

According to Washington County officials, the county would pay salaries and benefits of \$77,500 for an additional assistant district attorney; \$37,640 for a court clerk; \$51,500 for an investigator; \$37,640 for a deputy district clerk; and \$20,000 for additional court staff. Total recurring expenses would be \$224,280 annually. There would also be one-time start-up costs of \$15,000 in fiscal 2008.

No information on local costs was provided by Burleson County.

Bastrop and Lee counties' fiscal year begins on October 1. Washington County's fiscal year begins January 1. For fiscal 2009, it is assumed that the proposed 423rd Judicial District would be in start-up mode and would generate no additional revenue to offset the cost of the additional judicial district. In the future, it is assumed that improved caseload management brought about by the creation of a new judicial district could result in higher revenues; however, the amount of increased revenues cannot be estimated.

Collin County is currently served by the 199th, 219th, 296th, 366th, 380th, 401st, 416th and 417th judicial districts. According to the Collin County Auditor, the annual cost for the new judicial district would total \$654,418, and would include \$607,055 for salaries and benefits for court staff and \$47,363 for operating and maintenance costs. One-time start-up costs for capital expenses would total \$122,222 in fiscal 2009.

Collin County's fiscal year begins October 1. For fiscal 2009, it is assumed that the proposed 429th Judicial District would be in start-up mode and would generate no additional revenue to offset the cost of the additional judicial district. In the future, it is assumed that improved caseload management brought about by the creation of the new judicial districts could result in higher revenues; however, the amount of the increased revenues cannot be estimated.

According to information provided by Cameron County, the new 444th Judicial District would cost the county \$318,372 annually in operating expenses, including salaries and benefits for court personnel. The county currently has a family court under existing district courts. Since a family court already exists, no start-up costs would be incurred through the establishment of a new district court. The family court master's salary of \$127,500 would be redirected to payroll for the new district court staff since the district judge's salary is paid by the state, and the above cost reflects this adjustment.

The proposed 445th Judicial District would cost Cameron County \$393,395 annually in operating expenses, including salaries and benefits for court personnel. The county would not incur start-up costs because it would not need to build new facilities to accommodate the new district court. Surplus computers and office equipment would be used for the new district court.

Cameron County's fiscal year begins October 1. For fiscal 2008, it is assumed that the proposed 444th

and 445th judicial districts would be in start-up mode and would generate no additional revenue to offset the cost of the additional judicial district. In the future, it is assumed that improved caseload management brought about by the creation of the new judicial districts could result in higher revenues; however, the amount of the increased revenues cannot be estimated.

The Kleberg County Judge said that the county would provide an office for the district attorney at an annual expense of approximately \$103,125. The county judge indicated that because the majority of cases arise from Kleberg County, Kenedy County would not be expected to share the cost. Kleberg County is not considering paying any supplemental compensation to the district attorney, which would be proportionally shared with Kenedy County based on population. The Kenedy County Judge stated that the bill would have no fiscal impact on the county. The Nueces County Auditor and the Judge for the 105th Judicial District stated that the bill would have no fiscal impact on Nueces County. For the purposes of this fiscal note, it is assumed that the effective date for the creation of a new district attorney's office for Kenedy and Kleberg counties is September 1, 2007.

Currently, there are 15 judicial districts in El Paso County: the 34th, 41st, 65th, 120th, 168th, 171st, 205th, 210th, 243rd, 327th, 246th, 383rd, 384th, 388th and 409th. This bill would create a sixteenth judicial district, the 448th, on September 1, 2007. According to information provided by El Paso County officials, the recurring cost for the court would be \$447,378; which includes \$424,721 for salaries and benefits for a bailiff, a certified court reporter, a court coordinator, two attorneys, a court clerk and a supplement for the district judge; \$14,157 for operating expenses; and \$8,500 for equipment.

El Paso County currently has no criminal judicial district court. According to El Paso County officials, the county would supplement the judge's salary with \$15,000 per year and provide additional benefits of \$2,861 per year. El Paso County would have no start-up costs since the courtroom is built and available. There would be no additional staff, since El Paso County already has adequate staff on hand to serve this court. In addition, the county would pay operating expenses of \$10,000, bringing its total cost to \$27,861 annually.

El Paso County's fiscal year begins October 1. For fiscal 2008, it is assumed that the proposed 448th Judicial District and the proposed criminal 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 new judicial districts could result in higher revenues; however, the amount of increased revenues cannot be estimated.

Hidalgo County is currently served by the 92nd, 93rd, 139th, 206th, 275th, 332nd, 370th, 389th and 398th judicial districts. According to the Budget Management Section of Hidalgo County, the new judicial district court's annual expenses would total \$345,520 and would include \$311,926 for salary and benefits for court staff, \$8,000 for travel allowance and \$25,594 for operating expenses. One time start-up costs for furniture, equipment and courtroom renovations would total \$500,000 and would occur in fiscal 2008 only.

Hidalgo County's fiscal year begins October 1. For fiscal 2008, it is assumed that the proposed 449th Judicial District would be in start-up mode and would generate no additional revenue to offset the cost of the additional judicial district. In the future, it is assumed that improved caseload management brought about by the creation of a new judicial district could result in higher revenues; however, the amount of increased revenues cannot be estimated.

Grimes County is currently served by the 12th and 278th judicial districts. Waller County is currently served by the 9th and 155th judicial districts. The Comptroller's Office contacted officials in Waller and Grimes counties to determine the fiscal impact of the bill. The Waller County Auditor estimated that the new 506th Judicial District would cost the county \$113,100 for fiscal 2008, including: \$34,755 in salary and \$12,841 in benefits for the court coordinator; \$40,706 in salary and \$13,798 in benefits for the court reporter; \$3,000 in supplies; \$1,500 in equipment; \$5,000 in one-time start-up costs; \$500 for visiting judges; and \$1,000 for visiting court reporters. The annual cost for fiscal 2009 through 2012, which excludes the start-up cost, would be \$108,100. According to the Waller County Auditor, these potential costs could be reduced if Waller and Grimes counties share the costs of the

new district court.

The Grimes County Auditor estimated that the new 506th Judicial District would cost the county \$138,746 for fiscal 2008 including: \$34,755 in salary and \$12,841 in benefits for a court coordinator; \$55,000 in salary and \$18,150 in benefits for a court reporter; \$7,500 in equipment; \$2,500 for visiting judges; \$3,000 in supplies; and \$5,000 in one-time start-up costs. The annual cost for fiscal 2009 through 2012, which excludes the one-time start-up costs and equipment, would be \$126,246. The county auditor stated that the annual fiscal impact assumes that Grimes County would pay 100 percent of the cost. If expenses are shared with Waller County, however, the cost to Grimes County would be less. A fiscal impact table is not included for Waller and Grimes counties because it is not certain on what date the 506th Judicial District would be created.

Waller and Grimes counties' fiscal years begin October 1. For fiscal 2009, it is assumed that the proposed 506th Judicial District would be in start-up mode and would generate no additional revenue to offset the cost of the new court. In the future, it is assumed that improved caseload management brought about by the creation of the new judicial district could result in higher revenues; however, the amount of increased revenues cannot be estimated.

The 6th Judicial District is currently composed of Fannin, Lamar and Red River counties. The 336th Judicial District is currently composed of Fannin and Grayson counties. The proposed 397th Judicial District would be composed of Grayson County only.

The Comptroller's Office contacted officials in Grayson and Fannin counties to estimate the bill's potential fiscal impact on the counties. The Grayson County Auditor estimated that the total annual cost for the new 397th Judicial District would be \$115,000, which would include \$15,000 to increase the part-time court reporter position to full-time and \$100,000 for full-time counsel for indigent defense. There would be no start-up costs.

The judge for the 336th Judicial District estimated that the total cost to Fannin County would be \$33,000 annually in salaries and benefits, which would include \$10,000 to increase the part-time court reporter position to full-time and \$23,000 for a court coordinator position. It is unknown whether a bailiff for the proposed 397th Judicial District would be assigned from the Sheriff's Office or whether a position would be created.

Grayson County's fiscal year begins October 1. For fiscal 2009, it is assumed that the proposed 397th Judicial District would be in start-up mode and would not generate the same amount of revenue that each of the other district courts generate for the county; therefore, no additional revenue would be available 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 the new judicial district could result in higher revenues; however, the amount of increased revenues cannot be estimated.

Source Agencies:

LBB Staff: JOB, MN, JP