

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 30, 2017

TO: Honorable John T. Smithee, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3372 by Smithee (Relating to the operation and administration of and practice in courts in the judicial branch of state government.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3372, As Introduced: a negative impact of (\$1,403,744) through the biennium ending August 31, 2019.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$595,635)
2019	(\$808,109)
2020	(\$1,039,692)
2021	(\$1,054,664)
2022	(\$1,054,664)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2017
2018	(\$595,635)	1.9
2019	(\$808,109)	2.7
2020	(\$1,039,692)	3.9
2021	(\$1,054,664)	4.0
2022	(\$1,054,664)	4.0

Fiscal Analysis

The bill would amend the Family Code to clarify the definition of a Title IV D-case to include a suit for modification by the Title IV-D agency and any other action related to the services that the Title IV-D agency is required or authorized to provide. The bill would amend the Government Code to create new judicial districts in: Fort Bend County, the 458th Judicial District created September 1, 2017; Travis County, the 459th Judicial District created October 1, 2017, Travis County, the 460th Judicial District created October 1, 2019; and Denton County, the 462nd Judicial District created January 1, 2019.

The bill would amend the Government Code to create new statutory courts: Fort Bend, County Court at Law No. 6 created September 1, 2017; County Court at Law of Grimes County created September 1, 2017; Hays, County Court at Law No. 3 created October 1, 2018; and Hidalgo, County Court at Law No. 9 created September 1, 2017.

The bill would take effect on September 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 \$39,288 in fiscal year 2018 and \$39,666 in fiscal year 2019, 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 \$179,288 in fiscal year 2018 and \$179,666 in fiscal year 2019 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 85th Legislature.

In addition, the cost for creation of the 459th District Court in Travis County are prorated for 11 months in fiscal year 2018 because this court would be created on October 1st; the cost for creation of the 460th District Court in Travis County are prorated for 11 months in fiscal year 2020 because this court would be created on October 1st; and the cost for creation of the 462nd District Court in Hidalgo County are prorated for eight months in fiscal year 2019 because this court would be created on January 1st. The addition of these new district courts would include a prorated increase of 1.9 FTEs in fiscal year 2018, a prorated amount of 2.7 FTEs in fiscal year 2019, a prorated amount of 3.9 FTEs in fiscal year 2020 and 4.0 FTEs beginning in 2021 and for each subsequent year.

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 creation of County Court at Law #3 in Hays County that would be created on October 1, 2018.

According to the Office of the Attorney General and Department of Family and Protective Services, duties and responsibilities associated with implementing the remaining provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

According to the Office of Court Administration, local governments pay operating costs

associated with district courts and CCLs, such as space, computer equipment, furniture and court staff. Additionally, local governments pay the salary of CCL judges minus the reimbursement provided by the state. CCL judges must be paid a minimum of \$139,000 (\$1,000 less than a state judge's salary).

According to the Comptroller of Public Accounts (CPA), the bill would have a negative fiscal impact on the counties identified in the bill.

According to the CPA, the 459th Judicial District (Travis County) reported a cost of \$1,055,000 in FY2018 and an average cost of \$956,000 from FY2019-FY2022. Similar fiscal implications would continue after FY2022.

According to the CPA, the 460th Judicial District (Travis County) reported a cost of \$1,055,000 in FY2020 and an average cost of \$956,000 from FY2019-FY2022. Similar fiscal implications would continue after FY2022.

According to the CPA, the 462nd Judicial District (Denton County) reported a cost of \$878,308 in FY2018 and an average cost of \$810,113 per year from FY2019-FY2022. Similar fiscal implications would continue after FY2022.

According to the CPA, County Court #4 (Denton County) reported no fiscal impact.

According to the CPA, the 458th Judicial District (Fort Bend County) reported a cost of \$1,156,388 in FY2018 and an average cost of \$1,148,802 per year from FY2019-FY2022. Similar fiscal implications would continue after FY2022.

According to the CPA, County Court at Law #6 (Fort Bend County) reported a cost of \$1,443,891 in FY2018 and an average cost of \$1,444,520 per year from FY2019-FY2022. Similar fiscal implications would continue after FY2022.

According to the CPA, County Court at Law Grimes County reported a cost of \$436,192 in FY201 and an average cost of \$350,815 per year from FY2019-FY2022. Similar fiscal implications would continue after FY2022.

According to the CPA, County Court at Law #3 (Hays County) reported a cost of \$557,408 in FY2018 and an average cost of \$494,707 from FY2019-FY2022. Similar fiscal implications would continue after FY2022.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 530 Family and Protective Services, Department of

LBB Staff: UP, LBO, MW, GDz, AG, JSm, JGA