



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 1144 HLS 12RS 1599
Bill Text Version: REENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.: HB 953

Date: April 16, 2012 10:20 AM
Dept./Agy.: Orleans Parish Courts and Clerks
Subject: Consolidation
Author: LEGER
Analyst: Theresa Chatelain

COURTS RE SEE FISC NOTE LF EX Page 1 of 2
Provides relative to courts in Orleans Parish

Purpose of the Bill—This measure repeals the following provisions of Act 621 of the 2006 Regular Session, as amended by Act 873 of the 2008 Regular Session: (1) consolidation of the civil and criminal district courts and juvenile court into the newly established 41st Judicial District Court (41st JDC) effective 12-31-2014; (2) consolidation of the clerks of the civil and criminal courts into one office effective 12-31-2014; and (3) changes to the allocation of amounts disbursed to clerk's salary/operational fund and the judicial expense fund.

Table with 7 columns: EXPENDITURES, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION

The fiscal impact on governmental expenditures is indeterminable as a result of this measure.

Presently, the Criminal, Civil and Juvenile Courts and their respective clerks are operating separately; they will continue to operate separately as a result of this measure. For detailed information on current law, see below.

Indeterminable Impact on Expenditures. Other than specifying the number of judges and commissioners, one clerk of court with three deputies and one archivist, and judicial administrators for the 41st JDC, there are no provisions in the legislation limiting the number of positions that may be filled by the court. Any change in salaries and other expenditures will be based on the 41st JDC management decisions relative to positions and physical facilities required to fulfill its purpose.

Clerks. Current law reduces the elected clerks of court to one clerk. LA R.S. 13:782 establishes a \$108,000 maximum annual salary for a clerk of court in a parish with a population of 200,000 or more, payable from the Judicial Expense Fund. In addition, the state will pay the clerk \$10,000. The clerk is also allowed an expense allowance totaling 10% of the annual salary, or \$11,800. Reducing the number of clerks to one will potentially reduce salaries by \$108,000 (local), \$10,000 (state), (excluding fringe benefits) and expense allowances by \$11,800.

Judges. Current law limits the number of judges in the 41st JDC to 26 and one magistrate and creates six new additional judges who will be assigned juvenile cases, for a total of 32 judges and one magistrate. Presently, there are 12 criminal court judges, 14 civil court judges, one magistrate, and six juvenile judges, for a total of 32 judges and one magistrate. Therefore, there is no anticipated change in judges' salaries and expense allowances.

Commissioners. Current law specifies there are to be four commissioners appointed to the magistrate. Presently, these positions exist in the criminal court, and there is no anticipated change in existing expenditures for the commissioners' salaries and expenses.

Expenditure Explanation continued on page 2

REVENUE EXPLANATION

The fiscal impact on governmental revenues is indeterminable as a result of this measure.

Presently, the Criminal, Civil and Juvenile Courts and their respective clerks are operating separately; they will continue to operate separately as a result of this measure. For detailed information on current law, see page 2.

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Joy Irwin
Director of Advisory Services



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CONTINUED EXPLANATION from page one:
EXPENDITURE EXPLANATION CONTINUED (from page 1)

Other positions:

- Current law states each judge may appoint no more than two court reporters to the court, and allows additional court reporters to be hired with the approval of the parish governing authority. Presently, there are 48 court reporters in Criminal and Civil Courts. Therefore, there is no anticipated change in court reporters' salaries.
Current law allows the clerk of court to appoint three deputies whose duties shall be the same as the parish recorder and a full-time professional archivist. The clerks of court currently have numerous deputies in their organization charts. We were unable to quantify the number of deputies presently employed by each clerk whose duties are the same as the parish recorder. Therefore, the fiscal impact is indeterminable.
Current law provides the district with a judicial administrator, one deputy judicial administrator, and assistants as needed. Presently, the three courts employ six employees with "judicial administrator, deputy judicial administrator, chief deputy judicial administrator, or assistant judicial administrator" in their titles. (Criminal-3, Civil-1, and Juvenile-2) Because current law provides no maximum number of assistants, the fiscal impact will be dependent on court management decisions. Therefore, the fiscal impact is indeterminable.
Current law provides for at least 26 law clerks and at least 8 secretaries. Because current law provides for no maximum number of these positions, the fiscal impact will be dependent on court management decisions. Therefore, the fiscal impact is indeterminable.

Administrative staffing. With the consolidation and merger of the courts and clerks, the reduction of administrative costs could occur. For example, the functions of Human Resources, IT, Finance and Budget, and General Administrative in the separate offices could be consolidated into comparable functions in the consolidated offices. Based on our review of information provided by the courts and clerks the courts and clerks employ the following:

Number of Human Resources (HR) Employees: Criminal Court-1, Criminal Clerk-2, Civil Clerk-2 (Civil Court and Juvenile Court HR positions are included in General Administrative below.)
Number of IT Employees: Criminal Court-2, Civil Court-3, Juvenile Court-2, Criminal Clerk-3, Civil Clerk-0
Number of Finance Employees: Criminal Court-1, Civil Court-3, Juvenile Court-5, Criminal Clerk-3, Civil Clerk-2
Number of General Administrative Employees: Criminal Court-3, Civil Court-2, Juvenile Court-2, Criminal Clerk-7, Civil Clerk-4
Total salaries for Administrative Employees: Criminal Court-\$379,076, Civil Court-\$326,500, excluding hourly employees, Juvenile Court-\$397,593, Criminal Clerk-\$811,703, Civil Clerk-Not available at time of publication
Average Administrative Salaries: Criminal Court-\$54,154, Civil Court-\$54,416, Juvenile Court \$44,177, Criminal Clerk-\$54,114, Civil Clerk-Not available at time of publication
Total number of employees: Criminal Court-170, Civil Court-84, Juvenile Court-88, Criminal Clerk-90, Civil Clerk-150

Any reductions in staffing will reduce the salaries of the courts and clerks. We are unable to estimate any decreases in expenditures, because we do not know if management will eliminate any administrative positions upon consolidation, or over what period of time any positions will be eliminated. Therefore, the fiscal impact is indeterminable.

Consolidation expenditures. With the consolidation and merger of the courts and clerks, consolidation and merger expenditures could increase. For example, the names of the courts and clerks would be changed resulting in expenditures for signs, stationery, etc. A master plan could be used to determine the best means of consolidating, including how IT and records management systems could be merged, how various human resource issues would be resolved, and the timing for each of the changes. The extent to which expenditures would increase would be dependent on the decisions made by court and clerk management. Therefore, the fiscal impact is indeterminable.

Benefits. Act 621 requires new employees of the Clerk's Office to become members of the Clerks of Court Retirement and Relief Fund, which matches current practice. Therefore, there is no anticipated change in necessary retirement contributions.

Accounting and Control. Act 621 and SB 625 change the accounting and control of judicial expense funds (JEF) that the separate entities currently maintain. In this case, disbursements currently made from JEFs that the separate entities maintain will become disbursements from either the new Consolidated JEF or the new Clerk's Salary Fund. The fiscal impact is indeterminable.

REVENUE EXPLANATION CONTINUED (from page 1)

Fees. Effective December 31, 2014, the court may impose an additional cost against any defendant convicted of a misdemeanor (additional \$250), excluding traffic violations, or a felony (additional \$500). This could increase revenues for the court, but the impact is indeterminable. According to an official of the Criminal District Court, these fees are tracked in aggregate, so the potential increase in revenue cannot be calculated.

Accounting and Control. Act 621 and SB 625 change the accounting and control of JEF and the clerk's salary/operational fund that the separate entities currently maintain. The transfer of funds could impact the amounts that the individual entities/funds currently receive and expend. Because this is a reallocation of local governmental revenues, there is no overall fiscal impact.

Deficits. Based on budgetary information provided by the courts and clerks, for fiscal year 2012, the courts and clerks are projecting an operating deficit of \$4.1 million. Regardless of whether or not the courts/clerks are consolidated, these projected deficits will accrue unless court management aligns spending with available revenues.

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