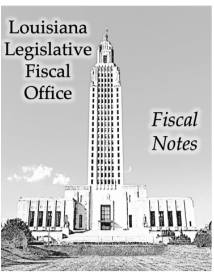


**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 589** HLS 23RS 255
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 28, 2023	6:58 AM	Author: ZERINGUE
Dept./Agy.: Judiciary		
Subject: Judges' Supplementation Compensation Fund		Analyst: Kimberly Fruge

FUNDS/FUNDING OR +\$271,287 GF EX See Note Page 1 of 1
 Provides relative to the Judges' Supplemental Compensation Fund

Proposed law provides for the Judges' Supplemental Compensation Fund within the state treasury; provides that the fund shall be used exclusively for administrative expenses, related costs of state retirement funds and Medicare contributions, and for state supplements to judges and commissioners; repeals the Judges' Supplemental Compensation Fund Board; updates the base fee to no less than \$27.50; requires the Supreme Court establish a portal for the clerks to remit the filing fees and documentation electronically; provides for the process by which the judicial administrator reviews and distributes supplemental pay; provides for a minimum cash balance of \$750,000; provides that administration expenses cannot exceed 1.5% of the monies collected each year and allows the payment portal be considered an administrative expense.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$271,287	\$163,400	\$180,420	\$190,287	\$203,769	\$1,009,163
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will increase expenditures by \$271,287 in FY 24 and \$163,400 in FY 25 to build and maintain a portal for electronic payments and reconcile remittances.

The Supreme Court indicates they would need to hire an Accountant to review and reconcile remittances submitted monthly by clerks of court. This would increase personnel expenses by \$96,842 for salary and related benefits; \$1,000 for supplies and membership dues; \$3,000 for travel; and \$4,445 equipment and software licenses in FY 24. In FY 25 equipment costs decrease to \$2,162 to account for software licensing with an increase of \$3,036 in FY 28 to replace equipment. The Supreme Court estimates year-over-year increases of 4% for salary and 6% for related benefits, supplies, travel, and equipment in the out-years.

The Supreme Court does not have the resources to create and maintain a portal for electronic payment without contracting to an outside technology company that would build and maintain the system. The Supreme Court estimates a one-time increase of \$104,000 to create a portal with a recurring cost to maintain the portal. The Supreme Court estimates maintaining the system will cost \$62,000 in FY 24 and estimates a 6% increase in costs year-over-year.

The table below presents the estimated costs to the Supreme Court as a result of proposed law. The Supreme Court assumes these costs to be SGF. Proposed law does allow the Supreme Court to use 1.5% of the Judges' Supplemental Compensation Fund for administrative purposes. To the extent this occurs, the SGF needs of the Supreme Court may be reduced. For illustrative purposes, the fund revenue in FY 22 was \$4,849,193 which would allow for approximately \$73,000 to be used for administrative purposes.

	FY 24	FY 25	FY 26	FY 27	FY 28
Salary & Related Benefits	\$ 96,842	\$91,308	\$104,032	\$109,345	\$114,964
Operating Expenses	\$ 4,000	\$ 4,210	\$ 4,433	\$ 4,669	\$ 4,919
Professional Services	\$166,000	\$65,720	\$ 69,663	\$ 73,843	\$ 78,274
Equipment	<u>\$ 4,445</u>	<u>\$ 2,162</u>	<u>\$ 2,292</u>	<u>\$ 2,430</u>	<u>\$ 5,612</u>
Total	<u>\$271,287</u>	<u>\$163,400</u>	<u>\$180,420</u>	<u>\$190,287</u>	<u>\$203,769</u>

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law changes the base fee from \$10 to \$27.50 in statute. Current law allows the Supreme Court to review the base fee and increase it annually based on the Consumer Price Index. The Supreme Court notes that the current base fee being charged is \$27.50.

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

Evan Brasseaux
Evan Brasseaux
 Interim Deputy Fiscal Officer