

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 698** HLS 15RS 694
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 14, 2015	10:03 AM	Author: ABRAMSON
Dept./Agy.: Judiciary		Analyst: Matthew LaBruyere
Subject: Annual Financial Report		

BUDGETARY PROCEDURES OR INCREASE GF EX See Note Page 1 of 2
 Requires the judiciary to prepare an annual financial report

Proposed law requires the Judicial Budgetary Control Board, or a judicial body designated by the supreme court, to develop an annual financial report to communicate expenditures, revenues, and employee positions for the judiciary for the last fiscal year concluded. The report will be used in the development of the judicial appropriation bill. Further, the board is required to submit the report to the governor, the speaker of the House of Representatives, and the president of the Senate, and also make the report available on the supreme court website on the same day that present law requires the judicial appropriation bill to be submitted to the legislature. Proposed law requires that the report contain information on expenditures, revenues, and employee positions of the judiciary for each level of court, including the supreme court, the intermediate court of appeal, the district courts, and family and juvenile courts.

Effective July 1, 2015.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	\$0
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will result in an increase in state general fund expenditures as a result of reporting an annual report of all expenditures, revenues and employees for each court level. Due to the lack of a unified court system, the LA Supreme Court (LASC) will need to hire additional staff to collect and analyze the submitted budgetary information to create the report. The exact increase in staff is indeterminable and would ultimately depend on the amount of budgetary information submitted by all the courts.

Currently the LASC develops a budget that funds the Supreme Court, Courts of Appeal and the salaries and certain expenses of district, city and juvenile judges. The current accounting staff is comprised of 6 people to handle certain procedures for 6 courts (LASC + 5 Courts of Appeal) and 369 judges.

District, city and juvenile courts are funded mainly by self-generated and local funds. To handle the increased workload associated with receiving and compiling a report on budgetary information from district, city and juvenile courts, the LASC indicated that 12.5 positions would be needed. The 12.5 positions is based on the requirements of making sure all the same information is recorded in the same way by all the courts. The positions include an accounting supervisor (\$70,000 salary + \$31,000 benefit), 10 accounting clerks (\$30,000 salary + \$15,700 benefits), 1 administrative assistant (\$30,000 salary + \$15,600 benefits) and 0.5 I.T. professional (\$40,000 salary + \$19,500 benefits). The total personnel cost would be \$632,900 for salaries and related benefits). Acquisitions such as computers and furniture would be approximately \$54,000.

The proposed legislation requires the Judicial Budgetary Control Board to develop a standardized way to define expenditures, revenues, and employee positions. To the extent local courts follow the standardized definitions for budget submission, the LFO believes 2 accounting clerk positions will be needed by the LASC to collect and compile the report on an annual basis. The addition of 2 accounting clerks would cost \$91,400 [(\$40,000 salary + \$19,500 benefits) x 2 positions]. Acquisitions for the 2 positions would be \$9,000. In the event the standardized definitions are not followed by all courts, additional personnel may be required to attain the required information. **Continued on page 2**

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

- | | | | |
|--|----------------------------|-------|--|
| Senate | <u>Dual Referral Rules</u> | House | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {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
Staff Director

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 698** HLS 15RS 694
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 14, 2015 10:03 AM	Author: ABRAMSON
Dept./Agy.: Judiciary	Analyst: Matthew LaBruyere
Subject: Annual Financial Report	

CONTINUED EXPLANATION from page one:

(CONTINUED EXPENDITURE EXPLANATION FROM PAGE 1)

The LFO cannot determine how many positions will actually be needed by the LASC since the workload would depend on the budgetary information received from all courts across the state.

I.T. expenditures would depend on how the LASC retains the information. To the extent the LASC compiles and publishes a report and then uploads it to the website, there would be no increase in costs. However, if a database is needed to store annual information and compile reports through the database, I.T. expenditures would increase. The LASC estimate to develop the website and database is approximately \$63,400. The court does not have staffing resources to handle the development and would contract with a vendor. Annual hosting and support services would cost approximately \$27,280 per year. The exact cost would be determined through the Request For Proposal (RFP) process and may be less than stated. For comparison purposes, the Office of Technology Services quoted these services upon request of the LFO at a cost of \$30,000 in FY 16 and \$5,000 annually for hosting and support services, which is substantially lower than the LASC quote.

Senate

Dual Referral Rules

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(2) >= \$500,000 Rev. Red. to State {H & 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}

Evan Brasseaux

Evan Brasseaux
Staff Director