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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
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HB4788 AS REPORTED WITHOUT AMENDMENT

Sponsor
Committee

Rep. Bruce Patterson
CIVIL LAW AND THE
JUDICIARY

Analyst(s) Aben, Tim

Completed 5/30/01

State Fiscal Impact

Local Fiscal Impact

Cost Please See Below
Revenues None

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Revenues None

This bill would amend the Revised Judicature Act to allow the addition of two new district judges, reduce by four the existing number of district judges, and merge four existing third class districts into two districts. Except for the reorganization of the 18th district (effective January 1, 2002) all of the proposed changes would be effective January 1, 2003.

Due to the nature of judges' salaries, the ability to accurately project costs and/or savings is somewhat difficult due to the number of assumptions involved. First; judges' salaries are set at calendar year levels, which means for purposes of budgeting, that the first three months of the fiscal year are the last three months of the calendar year. The first quarter is always calculated as 25% of the current calendar year salary level and the remaining three quarters are calculated at 75% of the next calendar year salary level. The State of Michigan provides 100% of all judges' salaries statewide. Included in cost determination for a fiscal year (utilizing the same formula just described) are Medicare, FICA, and retirement (all new judges must enroll in defined contribution).

Based on the aforementioned information and calculations, the amount for each new or eliminated judgeship for FY 2001-02 is \$157,400; for FY 2002-03 the cost is projected at \$163,000; and for FY 2003-04, the cost is projected to be \$167,000. The last two fiscal years assume a 3% SOCC increase in calendar years 2003 and 2004.