

FISCAL NOTE
SENATE, No. 2850
STATE OF NEW JERSEY
217th LEGISLATURE

DATED: DECEMBER 21, 2016

SUMMARY

Synopsis: Increases number of Superior Court judgeships to support implementation of constitutional and statutory criminal justice reform, including new pretrial release and detention proceedings, and speedy trial rights; appropriates \$9.3 million.

Type of Impact: General Fund expenditure, county expenditure.

Agencies Affected: Judiciary, Interdepartmental Accounts.

Judiciary Estimate

| Fiscal Impact | <u>Year 1</u> | <u>Year 2</u> | <u>Year 3</u> |
|----------------------|----------------------|----------------------|----------------------|
| State Cost | \$8,281,780 | \$6,532,940 | \$6,694,580 |

Office of Legislative Services Estimate

| Fiscal Impact | <u>Year 1</u> | <u>Year 2</u> | <u>Year 3</u> |
|----------------------|----------------------|----------------------|----------------------|
| State Cost | \$11,554,654 | \$9,969,457 | \$10,302,923 |

- The Office of Legislative Services (OLS) **concurs** with the Administrative Office of the Courts' (AOC's) estimate of the cost of salary, one-time fixed and operating costs for the establishment of 20 additional judgeships. However, the OLS adds that an additional \$3,272,874 in fringe benefits costs could be generated during the first year of operation, increasing to \$3,436,517 and \$3,608,343 in the second and third years, respectively.
- The total cost of funding 20 additional judgeships would amount to \$11,554,654 during the first full year of implementation. Assuming a 5 percent increase for all costs except judges salaries, during the second and third years the costs would total \$9,532,940 and \$10,302,923, respectively. The OLS notes that a rate of increase in salaries and fringe benefits different from AOC and OLS assumptions is possible.
- The bill would create 20 additional Superior Court judgeships to support implementation of the constitutional and statutory criminal justice reform, and appropriates \$9,300,000 for that purpose.

- The AOC estimate assumes that creation of each new Superior Court judgeship involves the establishment of an entire judge team, consisting of a Superior Court Judge, a Judge's Secretary, a Law Clerk, and a Court Clerk. Costs associated with a judge team include salaries, startup costs, and recurring operational costs.

BILL DESCRIPTION

Senate Bill No. 2850 of 2016 would create 20 additional Superior Court judgeships to support implementation of the constitutional and statutory criminal justice reform established by the 2014 amendment to Article I, paragraph 11 of the New Jersey Constitution and sections 1 through 11 of P.L.2014, c.31 (C.2A:162-15 et seq.). This reform, which begins January 1, 2017, includes new pretrial release and detention proceedings, and speedy trial rights.

In support of the 20 additional judgeships, the bill would appropriate \$9.3 million to the Judiciary from the State's General Fund. The bill would take effect on July 1, 2017, the first day of the State's next fiscal year.

FISCAL ANALYSIS

JUDICIAL BRANCH

Administrative Office of the Courts

The AOC bases its cost estimate on the assumption that creation of a new Superior Court judgeship involves the establishment of an entire judge team, consisting of a Superior Court Judge, a Judge's Secretary, a Law Clerk, and a Court Clerk. Costs associated with a judge team include salaries, startup costs, and recurring operational costs.

The AOC notes that salary for a Superior Court Judge is currently \$165,000. Estimated salaries for judge team staff are: Judge's Secretary - \$40,767; Law Clerk - \$52,755; Court Clerk - \$47,931. Actual salary cost for judge team staff may vary depending on the individual selected for each position.

For each judge team position, furniture, computers/tech items, desk phones, law books, etc. will be needed. Each new judgeship will also necessitate the purchase of new courtroom furniture and technological equipment (e.g. - sound/video recording equipment, video teleconferencing equipment, etc.) These are one-time costs that will only occur in the first year of implementation. Total startup costs are estimated to be approximately \$95,140 per judge team.

The AOC states that continuing operating expenses (office supplies, telephone bills, postage, office machine rentals, etc.) for each judge team are estimated at \$12,496 per year.

Based on the above information, the following table details estimated annual expenses that the Judiciary would incur as a result of the proposed legislation. With the exception of the Superior Court Judge salary, a 5 percent increase has been built into projections for the second and third years of implementation.

| | FY 2018 | FY 2019 | FY 2020 |
|-----------------------------|--------------------|--------------------|--------------------|
| Salaries | \$306,453 | \$313,526 | \$320,952 |
| Start Up Costs | \$95,140 | \$0 | \$0 |
| Operating (Recurring) Costs | \$12,496 | \$13,121 | \$13,777 |
| Total Expenses | \$414,089 | \$326,647 | \$334,729 |
| Number of Judge Teams | 20 | 20 | 20 |
| Total | \$8,281,780 | \$6,532,940 | \$6,694,580 |

Total expenses to the Judiciary for the twenty new judgeships in FY 2018, FY 2019, and FY 2020 are \$8,281,780, \$6,532,940 and \$6,694,580, respectively.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the AOC’s estimate of the cost of salary, one-time fixed and operating costs for the establishment of 20 additional judgeships. However, the OLS adds that an additional \$3,272,874 in fringe benefits costs could be generated during the first year of operation, increasing to \$3,436,517 and \$3,608,343 in the second and third years, respectively. This is based on the fringe benefit rate negotiated with respect to Federal funds received by the State. The OLS notes that the actual cost of fringe benefits, e.g., State contributions to the Judiciary Retirement System, employer taxes, that result from this bill may differ from the OLS cost estimate. The OLS further notes that the actual rate of salary increases may differ from AOC assumptions.

Section: Judiciary

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This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).