

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	304,953		658,996	
CASH FUNDS	80,000		4,000	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>384,953</b>		<b>662,996</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

This bill would provide for elimination of the office of clerk of the district court as prescribed. The county court clerk magistrate would assume the clerk of the district court's duties.

The clerk of the district court is a county-funded position and the county court clerk magistrate is a state-funded position. Therefore, the fiscal impact of this bill would be to reduce county expenditures and increase state General and Cash Fund expenditures. The actual cost will depend on the number of positions actually transferred.

The Supreme Court estimates the impact of this bill as follows:

ITEMS	FY2017-18	FY2018-19	FY2017-18	FY2018-19
	Number of Positions		Expenditures	
Trial Court Services Director for District Court	1.00	1.00	77,070	78,419
County Court staff & reclassification	2.75	8.00	91,410	278,544
Benefits			113,813	283,373
Operating			94,460	18,460
Travel			8,200	4,200
<b>TOTAL</b>	<b>3.75</b>	<b>9.00</b>	<b>384,953</b>	<b>662,996</b>
By Fund Source:				
GENERAL FUNDS			304,953	658,996
CASH FUNDS			80,000	4,000
			384,953	662,996

See the Court's response for additional details not included in this fiscal note.

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2017

LB<sup>(1)</sup> 544

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 2/13/17 Phone: <sup>(5)</sup> 1-4138

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>304,953</u>	<u>See Below</u>	<u>658,996</u>	<u>See Below</u>
CASH FUNDS	<u>80,000</u>		<u>4,000</u>	
FEDERAL FUNDS		<u>See Below</u>		<u>See Below</u>
OTHER FUNDS				
TOTAL FUNDS	<u>384,953</u>		<u>662,996</u>	

Explanation of Estimate:

Currently, district court is a county government function and operations are paid with county funds. The only exception is the personal services and expenses of district court judges and court reporters that are paid with State funds. LB544 transfers the duties of ex officio clerks of the district court in 37 counties to State funding and oversight as of 7/1/18. In addition, it provides for the transfer of duties for those counties that have elected clerks of the district court upon a vote of the county board and an agreement with the State Court Administrator. As a result, Supreme Court General and Cash Fund expenditures would increase. Federal and General Fund revenue would also increase.

Notes regarding transfer of ex officio clerk of the district court duties:

1. Approximately half of the counties would be transferred effective 1/1/18 and the remainder transferred effective 7/1/18.
2. Personal services:
  - a. Trial Court Services Director for District Court to establish transfer agreements and coordinate additional staff and training.
  - b. County Court staff to assume additional duties.
  - c. Reclassification of some County Court Clerk Magistrates assuming additional duties.
3. Operating: training for court staff, programming changes to JUSTICE and expenses for the Trial Court Services Director.
4. Travel: in-state travel and conference expense for the Trial Court Services Director
5. Revenue:
  - a. Federal Funds from child support activities (IV-D) performed by district courts and reimbursed by the Department of Health and Human Services would be received by the Supreme Court. A preliminary estimate, based on CY2016 data, shows approximately \$42,906 would be received in FY17-18 and \$171,622 in FY18-19.
  - b. Fees currently received by each county from district court functions would be transferred to the General Fund. This assumes an amendment would be added to LB544 to provide for the transfer. A preliminary estimate, shows receipts of approximately \$10,697 in FY17-18 and \$42,789 in FY18-19.
  - c. Since it is not known which individual counties will transfer on January, 2018 and which will transfer effective July, 2018, actual revenue received may vary.

Notes regarding transfer of elected clerk of the district court duties:

1. Since there is no requirement that a county eliminate the elected office of the clerk of the district court it is not known how many, or when, counties would transfer court duties. Therefore no specific estimate of the fiscal impact is given. However, to provide some estimate of the potential fiscal impact, currently 38 counties that have elected clerks of the district court have two to three staff positions. Although current salary and benefits of these district court clerk's offices are not known in all cases, using estimated comparable salaries and benefits, if five of these counties would transfer duties to the Supreme Court, General Fund expenditures could increase by approximately \$1.08 million. Revenue from Federal and General Funds could increase by approximately

\$215,000.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Trial Court Services Director, DC	1.0	1.0	77,070	78,419
County Court staff & reclassification	2.75	8.0	91,410	278,544
Benefits.....			113,813	283,373
Operating.....			94,460	18,460
Travel.....			8,200	4,200
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			384,953	662,996