

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING AN INCREASE IN THE NUMBER OF JUDGES IN CERTAIN JUDICIAL DISTRICTS.

Prime Sponsors: Representative Hamner
Senator Schwartz

JBC Analyst: Carolyn Kampman
Phone: 303-866-4959
Date Prepared: January 24, 2013

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/14/13. This section describes any changes to the fiscal impact of the bill due to: amendments that are not yet reflected in the attached Fiscal Note; updated information or technical issues, or differences in staff assumptions or calculations of the fiscal impact.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$776,974 cash funds from the Judicial Stabilization Cash Fund and 8.0 FTE to the Judicial Department for FY 2013-14.

Points to Consider

Revenue Source

- The General Assembly may appropriate moneys from either the General Fund or the Judicial Stabilization Cash Fund (the Fund) to cover the expenditures required to implement this bill. The balance in the Fund and the ongoing revenues to the Fund are projected to be sufficient to cover the initial and ongoing costs of this bill.

Pursuant to Section 13-32-101 (6), C.R.S., moneys in the Fund are subject to annual appropriation by the General Assembly "for the expenses of trial courts in the judicial department". The Fund consists of various court fees, fines, and penalties. Since its creation in 2003, the Fund has been used to: (1) partially offset the impact of reductions in General Fund support for the trial courts during the last two economic downturns; (2) pay for the costs of new judgeships authorized by H.B. 07-1054; and (3) pay for various trial court-related initiatives (*e.g.*, improving court oversight of protective proceeding cases).

Due primarily to the delayed implementation of H.B. 07-1054 and the elimination of funding for employee salary increases beginning in FY 2008-09, the Fund balance increased to a level that significantly exceeded the statutory limitation on cash fund reserves. In response, Chief Justice Bender issued a directive [C.J.D. 12-02] to temporarily reduce filing fees in certain civil actions in January 2012¹.

The following table details actual Fund revenues and expenditures for the past two fiscal years, as well as the Department's projections through FY 2014-15. The Department's projections assume: (1) Restoration of filing fees to statutorily authorized levels in January 2014; (2) approval of the Department's FY 2013-14 budget request; and (3) the appropriation of \$892,951² from the Fund beginning in FY 2013-14 to add two new judgeships.

Judicial Stabilization Cash Fund: Projected Cash Flow					
	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Estimate	FY 2014-15 Estimate
Beginning FY Balance	\$3,957,685	\$18,225,421	\$24,691,902	\$14,488,867	\$6,434,476
Revenues (including interest)	<u>42,566,095</u>	<u>34,948,102</u>	<u>27,124,480</u>	<u>36,662,931</u>	<u>39,897,783</u>
Subtotal: Adjusted Revenues	46,523,780	53,173,523	51,816,382	51,151,798	46,332,259
Ongoing Expenditures	(28,298,359)	(28,481,621)	(37,327,515)	(38,301,749)	(40,868,822)
Decision Items/ Two New District Court Judgeships				<u>(6,415,573)</u>	
Subtotal: Expenditures	(28,298,359)	(28,481,621)	(37,327,515)	(44,717,322)	(40,868,822)
Ending FY Balance	\$18,225,421	\$24,691,902	\$14,488,867	\$6,434,476	\$5,463,437
<i>Balance as % of annual expenditures</i>	<i>64.4%</i>	<i>86.7%</i>	<i>38.8%</i>	<i>14.4%</i>	<i>13.4%</i>

¹ Section 13-32-105.5, C.R.S., authorizes the Chief Justice of the Supreme Court to reduce the amount of one or more docket fees if necessary to comply with the 16.5 percent statutory limitation on uncommitted cash fund reserves. Subsequently, once the uncommitted reserves are sufficiently reduced, the Chief Justice is authorized to increase the docket fees to their statutorily authorized levels.

² This figure includes the costs of employee benefits, which are excluded from the fiscal impact of the bill in the attached fiscal note pursuant to Joint Budget Committee policy.

HB13-1035

JBC Staff Analysis