

F I N A L R E P O R T
COURT STUDY JOINT SUBCOMMITTEE

January, 1982

The Court Study Joint Subcommittee of the Senate Standing Committee on Judiciary and the House Standing Committee on Judiciary and Law Enforcement was created by the Legislative Council in 1981 in response to Senate Resolution 12. The Legislative Council appointed the following legislators to serve on this Subcommittee: Senator Lucas J. DeKoster and Representative Virginia Poffenberger, Co-chairpersons, and Senators C. Joseph Coleman, Elvie Dreeszen, A. R. Bud Kudart and Bob Rush; and Representatives James Johnson, Stephen Rapp, Al Sturgeon and L. W. Joe Gross. The Subcommittee was granted three meetings in which to accomplish its duties.

The subject matter of court reorganization was originally approved for study by the Legislative Council in 1979. The general function of the study was to investigate the feasibility of reorganizing the courts of Iowa, as proposed by the Iowa Supreme Court, into a single state judicial department, to be funded by the state and administered by the Supreme Court.

During the 1979-1980 and 1980-1981 legislative interims the predecessors of this Subcommittee undertook to measure the costs of providing judicial services in the state and to identify the statutory changes that would be necessary to accomplish a reorganization of the judicial system as proposed by the Supreme Court. The Legislative Council contracted with Resource Planning Corporation of Washington, D.C., to obtain the research services that were needed to accumulate data contained in county records. Based upon the written report submitted by Research Planning Corporation, and upon testimony received during 1980-1981 interim meetings and subcommittee deliberations, the 1980-1981 Court Study Joint Subcommittee approved the concept of court reorganization, but recommended further study of the methods of funding of a reorganized court system and of the impact upon local government that would result from proposed funding methods.

This Subcommittee was assigned the task of identifying the various recommendations that are associated with court reorganization and determining the cost, if any, that would follow adoption of each recommendation, and identifying sources of revenue that might be available to permit state funding of cost-bearing recommendations, and determining what must be done to accomplish noncost recommendations.

SUBCOMMITTEE ACTIVITIES

The Subcommittee recognized that in order to accomplish a court reorganization as contemplated by the Supreme Court, there is a need to recodify court statutes and a need to present cost

information that is as accurate and as reliable as possible. The activities of the Subcommittee have resulted in a bill draft, LSB 3064S/H, and a document entitled "Handbook--State Assumption of the Operating Costs and Revenues of the District Court".

BILL DRAFT

The bill draft accomplishes two purposes: First, it contains a comprehensive revision and recodification of the Iowa laws that establish and govern the various components of the Iowa judicial system, and second, it contains what the Subcommittee believes to be an appropriate form of court reorganization. The Subcommittee believes that LSB 3064S/H can be adapted by the General Assembly as necessary to accomplish any desired form of court reorganization.

The length of the bill draft precludes its attachment to this report, but a summary of contents for the bill draft is attached. Copies of the bill draft are available in the Legislative Service Bureau. The bill also is accompanied by an amendment containing material adopted by the Subcommittee at its final meeting.

HANDBOOK

The costs that are associated with court reorganization are essentially the costs of operating the Iowa district court. Although the state presently finances appellate court operations, the costs of district court administrator offices, and the salaries and travel expenses of the district judicial officers, the counties are financing approximately 75% of the total cost of the state judicial system, as reported by the Research Planning Corporation. The Resource Planning Corporation report is the only source of accumulated financial data that exists, and it contains what is believed to be a relatively reliable compilation of county expenditures for district court operations. However, data that are contained in the RPC report cannot be used to estimate court reorganization costs for two reasons: First, the report does not contain data for years after fiscal year 1978-1979; and second, the county expenditures for district court operations as shown in the report are not the same costs the state would incur in its financing of the district court.

The document entitled "Handbook--State Assumption of the Operating Costs and Revenues of the District Court" was prepared to provide current cost estimates of those district court functions that would be state-funded following a court reorganization such as that proposed by the Supreme Court. The Handbook contains the following information:

1. Cost projections, as adjusted for annual inflation, through fiscal year 1989-1990.
2. Personnel cost projections that recognize the anticipated cost to the state of employee benefits and other personnel expenditures.

3. Cost projections that include only those expenditure items which the state logically would assume in connection with court reorganization.

4. Revenue projections, as adjusted for annual inflation, through fiscal year 1989-1990, for those portions of district court revenues that are presently distributed to the counties and the school districts.

5. Theoretical plans which could be used to phase-in a re-direction to the state general fund of county and school district shares of court revenue.

6. Comparisons of county and school district shares of court revenues to their overall budgets.

The Handbook discusses the various adjustments that were made to RPC data for the purpose of estimating anticipated state expenditures and anticipated revenues. The length of the Handbook precludes its attachment to this report, but Table 1 from the Handbook is attached. Copies of the Handbook are available in the Legislative Service Bureau.

After the final meeting of the Subcommittee, an Addendum to the Handbook was prepared. The Addendum contains cost projections for indigent defense as well as those contained in the Handbook itself, revenue projections only for the share of revenues presently distributed to counties, and the recommendations of the Subcommittee for accomplishing the transition from county funding to state funding and tables showing the anticipated fiscal effects of the recommendations. The Addendum is attached to this Report.

SUBCOMMITTEE DISCUSSIONS

The Subcommittee discussed the various aspects of court reorganization, and conferred with representatives of the Supreme Court during these discussions. The Court made several recommendations to the Subcommittee, and those that were adopted by the Subcommittee are contained in the bill draft.

The Subcommittee also considered a report prepared by the program evaluation division of the Legislative Fiscal Bureau relating to the management and funding of juvenile probation services in the district court. That report entitled "Iowa Juvenile Probation Offices", contained four recommendations for legislative action. Three of those were inconsistent with the recommendations of the 1980-1981 Court Study Joint Subcommittee, and this Subcommittee received commentary from the Legislative Fiscal Bureau, the Department of Social Services, and representatives of the Iowa juvenile probation officers and the Supreme Court regarding the recommendations. The Subcommittee concluded that juvenile probation services should remain under the control of the courts, and that the proposed supervision and funding of juvenile probation services as contained in the bill draft would tend to

eliminate the lack of uniformity that exists under the present system.

The Subcommittee also considered proposals to redirect the county and school district shares of district court revenues to the state general fund. As shown in Table 1 of the Handbook, the projected sum of these two revenue shares is nearly equal to the projections of the costs of district court operations that are to be assumed by the state as a part of court reorganization.

RECOMMENDATIONS

The Subcommittee adopted the following recommendations:

1. The state should assume the administration and funding of Iowa district court operations as soon as financial conditions permit.

It is estimated that the total cost to the state for fiscal year 1982-1983 of those portions of district court operations that would be financed by the state under bill draft LSB 3064S/H would be \$28,746,835. This amount represents the full cost of all expenditure components that are recommended for state financing except indigent defense. The Subcommittee suggests that there are several methods of phasing this cost burden in over a period of years.

2. Reorganization of the supervision and administration of the district court should provide for the appointment of the clerks of district court by the district judges, and for state funding of the personnel and operating costs of the offices of the clerks of district court. All clerks of court and their employees would become state employees.

Table 1 indicates that the fiscal year 1982-1983 cost to the state of financing clerk of district court personnel would be \$12,718,695, and that operating costs would be \$2,842,590. The Subcommittee suggests that it is possible to transfer these two cost components at different times if necessary.

3. Court reorganization should provide for the administration and supervision of juvenile probation services on a judicial district basis, with a chief administrative and supervisory officer in each district who is appointed by the district judges. The various supervisory mechanisms that presently exist would be eliminated. All probation officers and juvenile court services employees would become state employees.

This recommendation entails state funding of the personnel and operating costs of juvenile probation offices. Table 1 indicates that the sum of these costs for fiscal year 1982-1983 would be \$6,446,420.

The Subcommittee notes that the reorganization of juvenile probation services on a judicial district could be accomplished without state funding, but the existing statutory formula that determines county contributions might need some adjustment.

4. Court reorganization should provide that court reporters for the district court also become state employees. Table 1 indicates that the fiscal year 1982-1983 cost to the state of this expenditure category would be \$4,539,155.

5. State assumption of the costs of operating the offices of the clerks of the district court should include the costs incurred for juries and witnesses.

The Code establishes specific fees to be paid by parties to lawsuits to offset some of the expenses incurred with respect to juries and witnesses. Available data do not indicate the revenues generated by these types of fees, however.

Table 1 indicates that the fiscal year 1982-1983 cost to the state of jury and witness expenditures would be \$2,199,974.

It should be noted that the bill draft LSB 3064S/H does not change the procedures used for selecting prospective jurors, and does not provide for state funding of county jury commissions. The state would finance jury expenses incurred after the prospective jurors have been selected.

6. The state should assume the costs that are incurred for the defense of indigents. Individual counties encounter substantial problems in attempting to budget for indigent defense because the costs that will arise in any given fiscal year are not predictable. When the expenditures of all of the counties are considered as an aggregate expenditure, however, the annual changes in the cost of indigent defense become more predictable and more manageable.

Table 10 in the Addendum to the Handbook indicates that the fiscal year 1982-1983 cost of indigent defense would be \$6,058,618. This cost projection assumes that the state would finance all of the existing types of expenditures, including all court-appointed counsel costs, and the costs of operating public defender offices in those counties where they exist. The Subcommittee recommends that these costs be paid out of appropriations to the Supreme Court, in the same manner as other costs of the reorganized judicial department.

The Subcommittee suggests that it may be necessary to establish some control over the budgets of public defender offices, or alternatively, to establish some limitation on the amount of operating costs that the state will finance. As contemplated by the Subcommittee, attorneys and employees of public defender offices would remain county employees, and thus would not be subject to the supervision of the Supreme Court or the state court administrator.

7. The state should finance only those additional types of expenditures that relate directly to district court operations.

One of the proposals considered by the Subcommittee was to transfer district court bailiffs to the state employee payroll. This proposal was previously made by the Supreme Court and recommended by the 1980-1981 interim subcommittee. However, the Supreme Court has withdrawn that recommendation, and the Subcommittee recommends that the reorganized court system not include bailiffs. The Subcommittee recommends that the district court be permitted to hire court attendants who would serve as courtroom aides and who would also perform other civil duties, but that county sheriffs continue to provide law enforcement services to the courts. The recommendation contemplates that deputy sheriffs would continue to serve process, to maintain custody of criminal defendants, and to perform other law enforcement services for the district court upon request of the judicial officers.

The remaining cost item which the Subcommittee was able to identify is that of the additional court staff needed to administer a state-funded court system. The Supreme Court estimates that the new administrative responsibilities could be handled by the addition of eight employees, with a total state expenditure of \$192,251 for fiscal year 1982-1983. The Court suggests, however, that economies of operation resulting from a state-administered district court could be equal to the additional administrative expense, thus offsetting this additional cost. This cost estimate is not included in the Table 1 consolidated cost projections.

8. The Subcommittee recommends that the state not assume, as a part of court reorganization, the burden of providing or paying for courtrooms and other physical facilities used by the various functional units of the district court. The evidence that is available to the Subcommittee suggests that the other states that have attempted to finance physical facilities in conjunction with court reorganization have had poor results.

9. The Subcommittee recommends that those counties which at present are providing computer services for the district court continue to do so, and that the state reimburse those counties for the reasonable value of those services.

Data is not available to identify the present extent or value of these services.

10. The Subcommittee recommends that the share of district court revenues that presently is paid into county treasuries be redirected to the state general fund to offset the costs that are assumed by the state, but that the school district share be left with the school districts.

11. The Subcommittee recommends that the transition to a state-administered and state-funded district court be accomplished according to a multi-year schedule which provides as follows:

a. The supervision and administration of the district court and the transfer of personnel to the state payroll would occur in the first year of the transition.

b. The counties would continue to provide some funding for the district court during the transition. The portion of the costs to be paid by the counties during transition would be based upon the projected costs for the first year of the transition, and each county's contribution would decrease to zero in 20 percent steps during the transition period. As a result, the state would be responsible for the annual inflation in the costs of operations, and in addition would periodically assume a greater percentage of the total financial burden as county contributions decreased.

c. The shift of court revenues from county treasuries to the state treasury would occur in periodic 20 percent steps, so that each time a county's contribution to court financing decreases, its share of court revenue also decreases.

As proposed by the Subcommittee, the transition would take place over a period of five years. Table 13 from the Addendum to the Handbook indicates the cost and revenue shifts that would occur pursuant to this recommendation. The Subcommittee observes that the transition schedule could be definitely fixed for a period of five years or for some greater or lesser period, or that each step of cost and revenue shift could be made subject to the existence of certain economic conditions, or that each step could be conditioned upon separate legislative authorization or be subject to postponement by the general assembly.

LSB 3064S
COURT REORGANIZATION
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10006	18.97
10007	18.97
10008	18.117
10009	19A.3
10010	20.4
10011	25A.6
10012	39.17
10013	44.7
10014	46.16
10015	64.6
10016	64.8
10017	64.11
10018	64.19
10019	64.23
10020	66.19
10021	68.1
10022	69.3
10023	69.8
10024	79.12
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COMPONENTS	FY 1979-80 Est.	FY 1980-81 Est.	FY 1981-82 Est.	FY 1982-83 Est.	FY 1983-84 Est.	FY 1984-85 Est.	FY 1985-86 Est.	FY 1986-87 Est.	FY 1987-88 Est.	FY 1988-89 Est.	FY 1989-90 Est.
1979 DOLLARS											
A CLERK COMP. \$	9,175,252	10,230,406	11,406,902	12,718,695	14,181,344	15,812,180	17,620,600	19,658,119	21,918,802	24,438,464	27,259,002
B CLERK OPER. \$	2,050,641	2,286,465	2,549,408	2,842,590	3,169,488	3,533,979	3,940,387	4,393,531	4,898,787	5,462,147	6,090,294
C JUV. PROB. \$	4,650,440	5,185,240	5,718,543	6,446,420	7,187,759	8,014,351	8,936,004	9,963,641	11,109,458	12,387,046	13,811,556
D CT. RPTRS. \$	3,274,541	3,651,113	4,070,991	4,539,155	5,061,158	5,643,191	6,292,158	7,015,756	7,825,568	8,722,163	9,725,212
E JURY-WITNESSES \$	1,587,059	1,769,570	1,973,071	2,199,974	2,452,971	2,735,062	3,049,596	3,409,298	3,791,322	4,227,335	4,713,479
SUM A+B	11,225,893	12,516,871	13,956,310	15,561,285	17,350,832	19,346,177	21,570,987	24,051,650	26,817,589	29,900,611	33,349,296
SUM B+C	3,637,700	4,056,035	4,522,479	5,042,564	5,622,458	6,269,041	6,989,982	7,793,829	8,690,119	9,689,482	10,803,773
SUM C+D+E	4,512,039	10,608,923	11,825,604	13,185,548	14,701,826	16,392,602	18,277,751	20,379,692	23,723,356	27,336,541	31,250,243
GRAND TOTAL	20,737,932	23,122,794	25,781,915	28,746,835	32,052,721	35,738,784	39,848,743	44,431,349	49,540,962	55,238,162	61,599,550

COUNTY REVENUE	7,488,150	8,424,168	9,477,189	10,661,837	11,994,566	13,493,836	15,180,621	17,028,198	19,212,972	21,614,593	24,216,417
SCHOOL REVENUE	11,479,786	12,914,759	14,529,103	16,345,240	18,388,395	20,686,944	23,273,812	26,121,913	29,458,652	33,136,483	37,278,543
SUM	18,967,936	21,338,927	24,006,292	27,007,077	30,382,961	34,180,780	38,454,433	43,150,111	48,671,624	54,751,076	61,524,960

ADDENDUM
TO
--HANDBOOK--

**STATE ASSUMPTION
OF THE
OPERATING COSTS AND REVENUES
OF THE DISTRICT COURT**

Prepared by
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Iowa Legislative Service Bureau
for the
Interim Court Study Joint Subcommittee

January, 1982

INTRODUCTION

This Addendum supplements information previously presented in the document entitled "HANDBOOK - STATE ASSUMPTION OF THE OPERATING COSTS AND REVENUES OF THE DISTRICT COURT" of December, 1981.

This Addendum presents two types of information that are not contained in the Handbook. First, this Addendum presents data respecting county expenditures for indigent defense. At its December 18, 1981 meeting, the Court Study Joint Subcommittee decided that court reorganization legislation should include the assumption by the state of the costs of indigent defense. As a result, the data contained in the Handbook need to be modified to reflect this item of court expense by the counties.

The second type of information contained in this Addendum is that relating to the Court Study Joint Subcommittee's recommendations with respect to the manner of phasing in the state assumption of district court costs. The Subcommittee recommended a version of Plan IV as contained in the Handbook, and this Addendum presents the features of and the financial data for the Subcommittee's proposal.

Part 1 of this Addendum presents the development of indigent defense cost data. Part 2 presents the development of aggregate cost data that can be used to estimate the total costs and total revenues that the state would experience upon adoption of the Subcommittee's recommendations. Part 3 presents Plan V which depicts the year-by-year fiscal effects, during the period of transition, of the adoption of the Subcommittee's recommendations. Part 4 discusses some additional limitations on the reliability of the data.

As in the Handbook itself, the term "RPC Report" used in this Addendum means the "Iowa Court Financial and Personnel Information Profile" prepared by Resource Planning Corporation of Washington, D.C.

PART 1 INDIGENT DEFENSE COSTS

The RPC Report presented data respecting indigent defense costs for fiscal years 1976-77, 1977-78 and 1978-79. Table 5-15 at page 5-19 of the RPC Report presents these expenditures by judicial election district and as statewide totals. Appendix VI of the RPC Report presents county-by-county data for each of the three fiscal years that were analyzed.

As discussed in the RPC Report, the indigent defense expenditure category includes two types of expenditures: Amounts paid to attorneys acting as court-appointed counsel, and amounts expended for salaries and operating costs of public defender offices. The Subcommittee recommended that the state assume these expenditures along with district court operating expenses.

The method used in the Handbook to develop cost projections was to develop RPC data for fiscal year 1978-79 as the base, and then to project estimated costs for future years by assuming a uniform annual growth of each expenditure item at the rate of 11.5 percent. The costs shown by RPC for indigent defense do not require the adjustments made for other items because in this case the state would be assuming the actual costs as incurred by the counties. Thus projections were developed by using the 1978-79 statewide figure of \$3,919,892, as shown in the RPC Report, Table 5-15 at page 5-19, and assuming the uniform rate of growth of 11.5 percent per year. These cost projections are presented in Table 10 at the end of this part.

TABLE 10
INDIGENT DEFENSE
COST PROJECTIONS

* FY 78-79	FY 79-80	FY 80-81	FY 81-82
3,919,892	4,370,680	4,873,308	5,433,738

FY 82-83	FY 83-84	FY 84-85	FY 85-86
6,058,618	6,755,359	7,532,225	8,398,431

FY 86-87	FY 87-88	FY 88-89	FY 89-90
9,364,250	10,441,138	11,641,868	12,980,682

FY 90-91	FY 91-92	FY 92-93	FY 93-94
14,473,460	16,137,907	17,993,766	20,063,049

* As shown in RPC Report, Table 5-15. Projections based on an assumed annual growth of 11.5%.

PART 2
AGGREGATE COST AND REVENUE DATA

The Subcommittee made two decisions which require adjustment of the consolidated data presented in the Handbook. First, the inclusion of indigent defense costs increases the total costs which the state would assume under the reorganized judicial department. Second, the Subcommittee concluded that the share of district court revenue presently going to the counties should be redirected to the state treasury, but that the state should not receive court revenues presently distributed to the school districts.

Table 11 at the end of this part presents aggregate cost projections through fiscal year 1993-94. The total for any given year represents the sum of the grand total of the cost components for that year as shown in Table 1 of the Handbook plus the projected cost of indigent defense for that year as shown in Table 10 of this Addendum.

These figures represent the total estimated burden on the state of assuming all costs associated with clerk of district court offices, jury and witness costs, juvenile probation offices, court reporters, and indigent defense.

Table 11 also isolates the projections with respect to the share of district court revenues that would be shifted from the counties to the state under the Subcommittee's recommendations. These figures are extracted from Table 1, line F of the Handbook. As stated in the Handbook, revenue growth is assumed to be at an annual rate of 12.5 percent.

	FY 78-79	FY 79-80	FY 80-81	FY 81-82	FY 82-83	FY 83-84	FY 84-85	FY 85-86
COURT COST *	18,599,043	20,737,932	23,122,794	25,781,915	28,746,835	32,052,721	35,738,783	39,848,743
INDIGENT DEF. COST **	3,919,892	4,370,680	4,873,308	5,433,738	6,058,618	6,755,359	7,532,225	8,398,431
TOTAL	22,518,935	25,108,612	27,996,102	31,215,653	34,805,453	38,808,080	43,271,008	48,247,174
REVENUE ***	6,656,133	7,488,150	8,424,168	9,477,189	10,661,837	11,994,566	13,493,886	15,180,621

	FY 86-87	FY 87-88	FY 88-89	FY 89-90	FY 90-91	FY 91-92	FY 92-93	FY 93-94
COURT COST *	44,431,348	49,540,953	55,238,162	61,590,550	68,673,463	76,570,911	85,376,565	95,194,869
INDIGENT DEF. COST **	9,364,250	10,441,138	11,641,868	12,980,682	14,473,460	16,137,907	17,993,766	20,063,049
TOTAL	53,795,598	59,982,091	66,880,030	74,571,232	83,146,923	92,708,818	103,370,331	115,257,918
REVENUE ***	17,078,198	19,212,972	21,614,593	24,316,417	27,355,969	30,775,465	34,622,398	38,950,197

* HANDBOOK, Table 1

** Addendum, Table 10

*** HANDBOOK Table 1 "County Share" only

AGGREGATE PROTECTIONS

TABLE 11

PART 3 TRANSITION PLAN

The Handbook presented four theoretical types of plans by which the transition from county funding to state funding could be achieved over a period of time. The Subcommittee recommended a plan similar to Plan IV as described in the Handbook.

OVERVIEW

The transition plan adopted by the Subcommittee contains the following features:

1. The Supreme Court would be given one year of lead time before it assumes full responsibility for personnel and budgets.

2. At the beginning of the second year of the transition, all employees in the offices of court clerks and in probation offices and all court reporters would become state employees. Also, the Supreme Court and the chief judges of the judicial districts would assume full control over the budgets and operations of the components of the district court.

3. At the beginning of the second year of the transition, the shift from county funding to state funding would commence. The counties would contribute to the funding of the operations of the district court during years two through five of transition, but their contributions would decrease annually during years three, four and five. The shift in revenue distribution would also take place in increments during years two through six the transition period.

EXPENDITURES

As described in the Handbook, Plan IV provides for county contributions to court funding in the form of a percentage of a fixed amount. This fixed amount is equal to the projected aggregate cost for the first year of the cost shift. For convenience the first year of cost shift was referred to as the base year, and the projected aggregate cost for that year, the base cost.

Under the Subcommittee's recommendations, the cost shift would commence at the beginning of fiscal year 1983-84. However, instead of assuming 20 percent of the base cost as the first step, the state would only assume the inflation in costs from the previous year as the first step, and in addition, the base cost would be the projected cost for the previous year. Thus, under the Subcommittee's proposal, the base cost would be that for fiscal year 1982-83, or \$34,805,453. In fiscal year 1983-84, the counties would pay all of the base cost, and the state would pick up the growth (projected to be 11.5 percent) over the base year cost, or \$4,002,627. In fiscal year 1984-85 the counties would pay 80 percent of the base cost, or \$27,844,362, and the state would pay the remaining cost of \$15,426,646 (as projected). Each year thereafter, the portion of the base cost paid by the counties is reduced

by 20 percent, and commencing in fiscal year 1988-89 the state would be paying all of the costs.

As discussed in the Handbook, this type of plan also requires the preparation of a schedule that determines what portion of the aggregate contribution of counties is to be paid by each county. A "county share" schedule was developed and presented in the Handbook under the discussion of Plan II, at page 27. However, that schedule did not reflect indigent defense expenditures. The Subcommittee recommended that a new county share schedule be developed which included the indigent defense expenditure item.

Table 12 at the end of this part contains a revised county share schedule as recommended by the Subcommittee. The fraction shown for each county reflects that county's expenditures in relation to the expenditures of all counties for the following cost components:

1. Court clerk salary and operating expenses for fiscal year 1978-79 as shown by the RPC Report.

2. Jury and witness expenditures for fiscal year 1978-79, as shown by the RPC Report.

3. Juvenile probation salary and operating expenses for fiscal year 1978-79, as shown by the RPC Report.

4. Court reporter salaries and expenses for fiscal year 1978-79, as shown by the RPC Report.

5. The average of indigent defense expenditures for fiscal years 1976-77, 1977-78 and 1978-79, as shown by the RPC Report. The Subcommittee concluded that this average should be used rather than the 1978-79 figures only because the average tends to eliminate the relatively large fluctuations that are experienced by individual counties from year-to-year.

A county would determine its obligation for any year during transition by multiplying the fraction shown for the county by the aggregate amount payable by all counties for that year. For example, during the third step of cost shift, counties would be contributing an amount equal to 60 percent of the base cost. Wright County's contribution would be calculated as follows:

$.0045 \text{ (county share schedule)} \times .60 \text{ (county contribution at step 2)} \times \$34,805,453 \text{ (base cost)} = \$93,975.$

Under the existing county funding scheme, the projected cost to Wright County e.g., of the components listed above during fiscal year 1985-86, which would be the earliest date step 3 could be reached, would be \$195,699.

The final consideration of the Subcommittee was the length of the transition period. The Subcommittee recognized that a fixed statutory timetable might not be possible, and that each step of transition might have to be dependent upon some economic factor, such as the existence of a certain year's-end balance in the general fund. The Subcommittee did not adopt such a mechanism, but recommended that transition be completed as soon as practicable.

Table 13 at the end of this Part presents the fiscal effects of a five-year phase-in period. Table 13 does not reflect any interruption that might result from legislative postponement of steps or from the effects of a trigger mechanism.

REVENUES

The Subcommittee recommended that the share of district court revenue that is distributed to county treasuries be shifted to the state in uniform increments at the same time base costs are shifted. Thus, during the second step, 20 percent of the revenue would be shifted, 40 percent during the third step, and so on until all of the county share of revenue has been shifted to the state treasury. Table 13 also indicates the fiscal effects of this revenue shift during the five-year phase-in period.

NEW STATE EXPENDITURES

As shown in Table 11 at the end of Part 2 of this Addendum, the share of district court revenue that is to be shifted to the state is less than the projected costs to be assumed by the state. The difference would have to be paid out of state revenue derived from other sources. The last two lines of Table 13 represent the fiscal affects of this "unfunded" liability. The line "new state dollars needed" indicates the difference between the state's burden for any year during transition and the amount paid to the state during that year as county contributions. The line "new annual commitment" indicates the amount of additional unfunded liability the state assumes each year of transition compared with the unfunded liability of the prior year, or in other words the amount of new dollars required each year during transition.

TABLE 12
PLAN V
COUNTY SHARE SCHEDULE

	Pop.		Pop.
Adair	.0031	Jefferson	.0055
Adams	.0022	Johnson	.0251
Allamakee	.0052	Jones	.0064
Appanoose	.0059	Keokuk	.0036
Audubon	.0033	Kossuth	.0049
Benton	.0081	Lee	.0153
Black Hawk	.0563	Linn	.0618
Boone	.0080	Louisa	.0037
Bremer	.0053	Lucas	.0039
Buchanan	.0086	Lyon	.0040
Buena Vista	.0055	Madison	.0042
Butler	.0047	Mahaska	.0070
Calhoun	.0041	Marion	.0059
Carroll	.0083	Marshall	.0142
Cass	.0046	Mills	.0049
Cedar	.0076	Mitchell	.0044
Cerro Gordo	.0126	Monona	.0042
Cherokee	.0047	Monroe	.0039
Chickasaw	.0052	Montgomery	.0042
Clarke	.0037	Muscatine	.0120
Clay	.0052	O'Brien	.0058
Clayton	.0063	Osceola	.0032
Clinton	.0193	Page	.0044
Crawford	.0052	Palo Alto	.0042
Dallas	.0103	Plymouth	.0065
Davis	.0030	Pocahontas	.0053
Decatur	.0033	Polk	.1285
Delaware	.0048	Pottawattamie	.0323
Des Moines	.0231	Poweshiek	.0058
Dickinson	.0056	Ringgold	.0025
Dubuque	.0297	Sac	.0052
Emmet	.0047	Scott	.0408
Fayette	.0097	Shelby	.0045
Floyd	.0061	Sioux	.0056
Franklin	.0047	Story	.0214
Fremont	.0042	Tama	.0076
Greene	.0042	Taylor	.0026
Grundy	.0045	Union	.0083
Guthrie	.0043	Van Buren	.0036
Hamilton	.0061	Wapello	.0121
Hancock	.0050	Warren	.0086
Hardin	.0077	Washington	.0066
Harrison	.0050	Wayne	.0032
Henry	.0073	Webster	.0142
Howard	.0038	Winnebago	.0043
Humboldt	.0041	Winneshiek	.0064
Ida	.0033	Woodbury	.0487
Iowa	.0053	Worth	.0033
Jackson	.0071	Wright	.0045
Jasper	.0108		

0.9998

TABLE 13

PLAN X

Five-year phase-in

Commencing in FY 1983-84

C O S T	BASE YEAR						
	FY 82-83	FY 83-84	FY 84-85	FY 85-86	FY 86-87	FY 87-88	FY 88-
TOTAL (Table II)	34,805,453	38,808,090	43,271,008	47,247,174	53,759,578	59,982,071	66,880,000

B U R D E N	STATE:	None	Growth	Growth	Growth	Growth	All	
	\$	0	4,002,627	15,426,646	27,263,903	39,837,417	53,021,000	66,880,000
	%	0	10	36	57	74	88	100
E N	COUNTIES:	ALL	Base cost	80% of base	60% of base	40% of base	20% of base	None
	\$	34,805,453	34,805,453	27,844,362	20,883,271	13,922,181	6,961,091	0
	%	100	90	64	43	26	12	0

R E V E N U E	STATE:	None	None	Pro-rata	Pro-rata	Pro-rata	Pro-rata	ALL
	\$	0	0	2,698,778	6,072,248	10,246,919	15,370,378	21,614,500
	%*	0	0	20	40	60	80	100
S H A R E S	COUNTIES:	ALL	ALL	Pro-rata	Pro-rata	Pro-rata	Pro-rata	None
	\$	10,661,837	11,994,566	10,795,108	9,108,373	6,831,279	3,842,594	0
	%*	100	100	80	60	40	20	0

N E W S T A T E D O L L A R S N E E D E D	NEW STATE DOLLARS NEEDED	None	4,002,627	12,727,262	21,291,655	29,590,478	37,650,622	45,245,400
	NEW ANNUAL COMMITMENT	None	4,002,627	8,725,241	8,563,787	8,298,243	8,060,124	7,614,700

* Percent of Table II Revenue Projections

PART 4

The Handbook discussed several limitations on the reliability of the financial data that was presented, perhaps the most important one being that the rate of 12.5 percent that was assumed for revenue growth may be inaccurate.

An additional factor affecting the aggregate cost projections is that under the Subcommittee proposal the state would reimburse counties for any computer services that are provided the district court. Some counties presently provide these services, and the value of these services is not presently known. These expenditures would be in addition to the costs shown in Table 11.

Finally, the reliability of the cost projections for indigent defense are subject to some doubt. The magnitude of this cost component is not subject to direct control by any legislative, executive or judicial body, and thus the annual growth cannot be controlled. The RPC Report indicates a growth rate for one year of nine percent but a growth rate the following year of 28 percent. Recurrences of a growth rate of 28 percent could have a net effect over five to ten years of increasing actual costs above projected costs by between one and five million dollars.