

Supreme Court of Pennsylvania

ADMINISTRATIVE OFFICE OF PENNSYLVANIA COURTS

Memorandum

TO: Annette Keener-Farley, Legislative Analyst
Governor's Office of the Budget

THROUGH: Thomas B. Darr
Deputy Court Administrator of Pennsylvania

FROM: *Deborah B. McDivitt*
Deborah B. McDivitt
Director of Finance

DATE: May 13, 2008

RE: Fiscal Impact of HBs 601 and 1356

I am writing in response to your recent request to Jim Koval for cost information for two pending legislative bills related to juror costs - HB 601 and HB 1356. Accordingly, we reviewed both bills to estimate the potential additional costs to both the Commonwealth and the counties. At the outset, I must emphasize that these comments do not purport to exhaustively reflect the views of any segment of the Unified Judicial System (UJS), nor do they represent a formal position of the UJS regarding this legislation.

Synopsis of HB 601 (PN 667)

- *This bill would increase the compensation paid to jurors from the current \$9 for each of the first three days of service and \$25 for each day of service thereafter, to a flat \$40 per day. Because the Commonwealth, by statute, reimburses the counties for 80% of the compensation paid to jurors participating in a trial or in grand jury proceedings beyond the third day of service, this bill would impose additional costs on both the counties and the Commonwealth.*

Estimated Cost to the Commonwealth

Based on the bill's proposed increase in the compensation paid to jurors to a flat \$40 for each day of service and available data, we estimate the additional costs to the Commonwealth under the Juror Cost Reimbursement Grant for jurors serving in trials or in grand jury proceedings beyond three days of **\$491,000**.

Estimated Cost to the Counties

The estimated impact of the bill would be significant on the counties, markedly greater than the cost to the Commonwealth.

The bill's proposed daily compensation at a uniform rate of \$40 would represent an increase of \$31, or 344% over the \$9 paid for each of the first three days, and an increase of \$15, or 60% over the \$25 paid for each day thereafter.

As noted previously, per current law, the Commonwealth reimburses counties for 80% of the compensation paid to jurors serving on a trial after the first three days of service. Therefore, the entirety of the costs resulting from the increased per diem paid during the first three days of service would be borne by the counties. Because many counties, especially the larger ones, operate under a "one day, one trial" system, this will concentrate the cost effects at the county level.

The *net additional cost* to counties (net of reimbursement from the state) of HB 601 is estimated at approximately **\$9.3 million**.

The combined additional costs of HB 601 to both the Commonwealth and the counties are estimated at **\$9.8 million**, an increase from approximately \$6 million at the present time.

Synopsis of HB 1356 (PN 1698)

- *This bill would increase the compensation paid to jurors from the current \$9 for each of the first three days of service and \$25 for each day of service thereafter, to a daily amount tied to eight times the hourly federal minimum wage. In addition, the bill would change the mileage reimbursement from a static amount presently specified in statute (\$0.17 per mile) to the business standard mileage rate established and revised periodically by the Internal Revenue Service (IRS). Finally, the bill would change the amount reimbursed by the Commonwealth from the existing 80% for county-paid compensation to jurors participating in a trial or in grand jury proceedings after the first three days of service, to 50% of the total amount paid to such jurors by the counties.*

By changing the compensation rates paid to jurors to the dynamic benchmarks proposed, there would be an immediate increase in costs because both rates are significantly higher than the rates presently paid. Costs would also grow over time to reflect the growth in the benchmarks.

Estimated Cost to the Commonwealth

HB 1356 would impose a limited portion of the additional costs on the Commonwealth because state reimbursement would continue to be related only to jurors serving in a trial or in grand jury proceedings. Although the reimbursement would commence for their costs beginning with the first day of service rather than only after the

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first three days, the reimbursement percentage would drop from 80% to 50%. Counties would shoulder 100% of the cost associated with all other jurors.

The estimated additional costs for the Commonwealth are **\$1.8 million**, in effect doubling the \$1.1 million now incurred. We believe, however, that the amount of our calculation related to travel reimbursement may be low, but we have no hard data at present for a more precise estimate. For this analysis, absent hard data, we assumed an average daily round trip per juror of 10 miles (which may be low). Using this approach, the travel component of the additional Commonwealth costs are about \$225,000, or 12% of the overall additional costs.

Estimated Cost to the Counties

The estimated additional costs to the counties would be approximately **\$15 million**, for about a three-fold increase in their estimated current net costs (i.e., costs net of the state reimbursement). Significant costs would be incurred by the counties for compensation and travel reimbursement paid to jurors called to report for service, but not selected. For the reasons stated above, we caution that this cost estimate may be low for the portion related to travel reimbursement.

The combined additional costs of HB 1356 to both the Commonwealth and the counties are estimated at **\$16.8 million**, an increase from the approximate \$6 million total costs currently incurred.

I trust that this provides you with the information you requested. If you have questions or require additional information, please let me know.

cc: Zygmunt A. Pines, Esq.
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