

ONEIDA TRIBE OF INDIANS OF WISCONSIN



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ONEIDA FINANCE OFFICE

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UGWA DEMOLUM YATEHE
Because of the help of
this Oneida Chief in
cementing a friendship
between the six nations
and the colony of
Pennsylvania, a new
nation, the United States
was made possible.

MEMORANDUM

DATE: October 4, 2012

FROM: Larry Barton, Chief Financial Officer

TO: Tina Danforth, Treasurer
Oneida Business Committee

RE: **Financial Impact of Proposed Law: Judiciary**

I. Background

Under consideration is a new law which would create a(n) (Oneida) Judiciary (System) that would serve to eventually replace the Oneida Appeals Commission. There is to be a transition period, if this law is approved, wherein the Judiciary and the Oneida Appeals Commission would co-exist. This period would be from the start of the inauguration of the Oneida Business Committee in August of 2014 to March 1, 2015, when the Appeals Commission is to be dissolved. The Staff of the current Appeals Commission is to serve both the new Judiciary and the existing Appeals Commission during this transition period, and will be retained as the Staff of the Judiciary at the conclusion of the transition.

II. Executive Summary of Findings

The proposal indicates the Judiciary shall have two functions, the Trial Court Division and the Court of Appeals. Each of these functions is to have one full-time Chief Judge, who will each be elected for a six-year term. The Trial Court Division shall then be made up of three additional full-time judges, one serving a six-year term and two serving three-year terms, each. The Court of Appeals, besides its Chief Judge, shall have four Judges, all of them part-time. Two of these part time judges are to serve six-year terms while the other two are to serve three-year terms.

The exact salaries for all judges are not provided in the current draft of the proposed Judiciary Law nor in the Resolution presented, but previous documents provided compensation as follows: Chief Judges shall be compensated at \$63,000 per year and full-time judges at \$60,000 per year.

Finance Department has been advised that a salary range of \$55,000-\$60,000 has been prescribed for Full time Judges and that a range of \$60,000-\$65,000 has been prescribed for the Chief Judges. Therefore, for discussion we will utilize the same estimated salaries as proposed previously. All part time judges were to be compensated at \$30.00 per hour.



Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge, after the colonists had consistently refused to aid them.

These levels of compensation do not take into account fringe benefits or indirect costs. Fringe benefits and indirect costs will be included in the Financial Impact section. The current FY 2012 salaries for the four full-time Oneida Appeals Commissioners totaled a cost of \$238,389. Actual fringe benefits totaled \$52,932 and the indirect cost rate is set at 16.1%, or an additional \$38,380 in indirect costs. This comes to a total of \$329,701 for the FY 2012 labor costs of current full time Appeals Commissioners. In addition, there are seven part-time Commissioners. However, a review of the Revenue and Expense Summaries makes it difficult to determine the compensation dedicated to the part-time Appeals Commissioners, as their compensation is expensed through a Judicial Fees budget line that also includes outside third parties, if Oneida Appeals Commissioners have had to recuse themselves. These Judicial Fees have averaged a total of \$77,783 over the last three fiscal years. There are also stipends and other judicial fees paid which have averaged \$26,723 per year.

III. Financial Impact

The immediate financial impact is the salaries of the new Judiciary Judges and any necessary administrative expenses, other than the Staff salaries which will be shared with the Oneida Appeals Commission. For this discussion, the fringe benefit rate will be estimated at 40% for the transition period, and indirect cost rate will be estimated at 16%.

For purposes of this statement of impact, the Trial Court Division will be compared to the four Full Time Oneida Appeals Commissioners, while the Court of Appeals will be compared to the Judicial Fees and Stipends that have been paid over the last three years to part-time Appeals Commissioners and third party deliberators. Since the Proposed Legislation calls for the sharing of Administrative Staff, their salaries and benefits will be left out of Financial Impact, even though it seems unlikely that the current staff would be able to effectively service three distinct entities during the seven-month transition period. Full anticipated administrative expense other than staff salary will be shown in Trial Court Division.

TRIAL COURT DIVISION

- Chief Judge, estimated \$63,000 plus fringe and indirect costs: \$99,540 per year (**\$58,065 estimated maximum for 7 month transition period**).
- Three Trial Court judges, estimated \$60,000 each plus fringe and indirect costs: \$284,400 per year (**\$165,900 estimated maximum for 7 month transition period**.)
- Administrative expenses other than staff salaries, judicial fees and stipends (based on similar for Appeals Commission): \$65,363 per year (**\$38,128 estimated maximum for 7 month transition period**.)
- **\$262,093 estimated maximum potential impact for Trial Court Division during Transition**

COURT OF APPEALS (presented at maximum potential impact)

- Chief Judge, \$63,000 plus fringe and indirect costs: \$99,540 per year (**\$58,065 estimated maximum for 7 month transition period**).
- 4 Court of Appeals Judges: estimated \$30 per hour (29 hours per week) plus required SUTA (.71%), FICA (6.2%), Medicare (1.45%), workers compensation (.43%), and disability (.01%) : \$196,884 per year (**\$114,849 estimated maximum for 7 month period**.)
- **\$172,914 estimated maximum potential impact for Court of Appeals**

TOTAL ESTIMATED POTENTIAL FINANCIAL IMPACT OF ONEIDA TRIBAL JUDICIARY: \$435,007 FOR 7 MONTH PERIOD BEGINNING AUGUST 2013 TO MARCH 1, 2014

Going forward following the transition, the salaries and benefits of the Oneida Tribal Judiciary Judges would total approximately \$680,364 per year. The current salaries, fringe benefits, and indirect costs of the four full time Oneida Appeals Commissioners totaled \$329,701 for FY 2012. Furthermore, there have averaged \$104,506 in stipends and judicial fees over the last three years, with an indeterminate portion of this going to outside third parties. So, the actual amount paid currently to Oneida Appeals Commissioners is slightly less than the \$434,207 per year average. Nevertheless, on a **going forward basis, adoption of this legislation would carry an additional budgetary allocation of approximately \$246,157** for the Judges compensation at discussed levels for the new Judiciary, compared to the average compensation over the last three fiscal years of the current salaries, benefits, stipends and fees of the existing Oneida Appeals Commissioners.

III. Recommendation

The Finance Department does not make a recommendation in regards to course of action in this matter. Rather, it is the purpose of this report to disclose potential financial impact of an action, so that General Tribal Council has full information with which to render a decision.