

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6191**  
**BILL NUMBER: SB 438**

**DATE PREPARED:** Nov 18, 1999  
**BILL AMENDED:**

**SUBJECT:** Public officers compensation.

**FISCAL ANALYST:** Susan Preble  
**PHONE NUMBER:** 232-9867

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

<b>STATE IMPACT</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>State Revenues</b>		<b>176,000</b>	<b>286,000</b>
<b>State Expenditures</b>		<b>3,929,916</b>	<b>6,601,758</b>
<b>Net Increase (Decrease)</b>		<b>(3,753,916)</b>	<b>(6,315,758)</b>

**Summary of Legislation:** This bill increases the salary of members of the General Assembly, state elected officials, and appellate and trial court judges. It also increases the per diem paid to members of the General Assembly when the General Assembly is not in session. (The introduced version of this bill was prepared by the Public Officers Compensation Study Committee.)

**Effective Date:** January 1, 2001.

**Explanation of State Expenditures:** This bill would increase annual salaries for the members of the General Assembly, seven state elected officials, trial and appellate court judges and other judicial officers.

**General Assembly:** This bill would increase the salaries of the 150 members of the General Assembly. Legislators receive their annual salary in two payments, one in January and one in February. This bill also increases the per diem that legislators receive when the General Assembly is not in session. It is estimated that there will be 69 non-session days in the last six months of FY 2001 (long session) for which per diem will be paid and 297 non-session days in FY 2002 (short session).

	<i>number</i>	<i>current salary</i>	<i>new salary</i>	<i>net increase</i>
<i>Legislators:</i>	<i>150</i>	<i>\$11,600</i>	<i>\$19,000</i>	<i>\$7,400</i>
<i>Non-session per diem</i>	<i>150</i>	<i>\$25</i>	<i>\$34</i>	<i>\$9</i>

**FY 2001:** General Fund expenditures will increase \$1,757,115. This figure consists of the salary increase cost of \$1,416,915 (\$1,110,000 for salaries and \$306,915 for fringe benefits) and the per diem increase cost of \$68,931.  
*Six-month impact only due to January 1, 2001 effective date.*

**FY 2002:** General Fund expenditures will increase \$1,817,865. This figure consists of the salary increase cost of \$1,416,915 (\$1,110,000 for salaries and \$306,915 for fringe benefits) and the per diem increase cost of \$296,703.

Fringe benefits are calculated at 27.65% of salary (20% for retirement benefits and 7.65% for Social Security).

**State Elected Officials:** This bill would increase salaries for seven state elected officials as follows:

	<i>number</i>	<i>current salary</i>	<i>new salary</i>	<i>net increase</i>
<i>Governor</i>	<i>1</i>	<i>\$95,000</i>	<i>\$135,000</i>	<i>\$40,000</i>
<i>Sec. of State, Auditor, Treasurer</i>	<i>3</i>	<i>\$66,000</i>	<i>\$69,000</i>	<i>\$3,000</i>
<i>Attorney General</i>	<i>1</i>	<i>\$79,400</i>	<i>\$83,000</i>	<i>\$3,600</i>
<i>Clerk of the Supreme Court</i>	<i>1</i>	<i>\$60,000</i>	<i>\$62,000</i>	<i>\$2,000</i>
<i>Superintendent of Public Instruction</i>	<i>1</i>	<i>\$79,400</i>	<i>\$83,000</i>	<i>\$3,600</i>

**FY 2001:** General Fund expenditures will increase by \$34,908 (\$29,100 for salaries and \$5,808 for fringe benefits).  
*Six-month impact only due to January 1, 2001 effective date.*

**FY 2002:** General Fund expenditures will increase by \$69,817 (\$58,200 for salaries and \$11,617 for fringe benefits).

Fringe benefits are calculated at 19.96% of salary (9.6% for PERF, 7.65% for Social Security, .41% for life insurance and 1.9% for disability insurance).

**Trial and Appellate Court Judges:** This bill would increase salaries for the 298 trial and 21 appellate court judges as follows:

	<i>number</i>	<i>current salary</i>	<i>new salary</i>	<i>net increase</i>
<i>Trial court judges</i>	298	\$90,000	\$97,000	\$7,000
<i>Chief Judge of the Court of Appeals</i>	1	\$115,500	\$125,000	\$9,500
<i>Court of Appeals judges</i>	15	\$113,000	\$122,000	\$9,000
<i>Chief Justice of the Supreme Court</i>	1	\$120,500	\$130,000	\$9,500
<i>Supreme Court justices</i>	4	\$118,000	\$128,000	\$9,000

**FY 2001:** General Fund expenditures will increase by \$1,561,800 (\$1,140,000 for salaries and \$421,800 for fringe benefits).  
*Six-month impact only due to January 1, 2001 effective date.*

**FY 2002:** General Fund expenditures will increase by \$3,123,600 (\$2,280,000 for salaries and \$843,600 for fringe benefits).

Fringe benefits are calculated at 37% of salary (27% for the Judges Retirement Fund, 7.65% for Social Security, .41% for life insurance and 1.9% for disability insurance).

**Other Judicial Officers:** Because their salaries are tied by statute to the salary a trial court judge receives, increasing the salaries of trial court judges also increases the salaries of 64 magistrates and 204 prosecuting attorneys, as follows:

	<i>number</i>	<i>current salary</i>	<i>new salary</i>	<i>net increase</i>
<i>Magistrates</i>	47	\$72,000	\$77,600	\$5,600
<i>Juvenile magistrates</i>	17	\$30,607	\$36,207	\$5,600
<i>Full-time prosecutors</i>	59	\$90,000	\$97,000	\$7,000
<i>Part-time prosecutors @ 66%</i>	11	\$59,400	\$64,020	\$4,620
<i>Part-time prosecutors @ 60%</i>	20	\$54,000	\$58,200	\$4,200
<i>Full-time chief dep. prosecutors</i>	66	\$67,500	\$72,750	\$5,250
<i>Deputy prosecutors @ 66%</i>	28	\$44,550	\$48,015	\$3,465
<i>Deputy prosecutors @ 60%</i>	20	\$40,500	\$43,650	\$3,150

**FY 2001:** General Fund expenditures will increase by \$847,361 (\$706,370 for salaries and \$140,991 for fringe benefits).  
*Six-month impact only due to January 1, 2001 effective date.*

**FY 2002:** General Fund expenditures will increase by \$1,694,723 (\$1,412,740 for salaries and \$281,983 for fringe benefits).

Fringe benefits are calculated at 19.96% of salary (9.6% for PERF, 7.65% for Social Security, .41% for life insurance and 1.9% for disability insurance). By statute, the county pays \$41,393 of a juvenile magistrate's salary and the state pays the balance (or \$30,607 currently). With the salary increase for trial court judges, the state's share of a juvenile magistrate's will increase to \$36,207.

**FY 2001:**      **Total General Fund expenditures will increase by \$3,929,916**  
*Six-month impact only due to January 1, 2001 effective date.*

**FY 2002:**      **Total General Fund expenditures will increase by \$6,601,758**

**Explanation of State Revenues:** Assuming that the additional income will be taxed at the current income tax rate of 3.4% and half of this income may generate additional sales tax revenue, the state could receive approximately \$176,000 in additional revenue in FY 2001 and \$286,000 in additional revenue in FY 2002.

Income tax revenue is deposited in the General Fund. Gross retail (sales) and use taxes are deposited in the State General Fund (59.03%), the Property Tax Replacement Fund (40%), the Public Mass Transportation Fund (0.76%), the Industrial Rail Service Loan Fund (0.04%), and the Commuter Rail Service Fund (0.17%)

**Explanation of Local Expenditures:** By statute, the county pays only \$41,393 of a juvenile magistrate's salary and the state pays the balance. Increasing the juvenile magistrates' salaries will increase the state's share of the salary, but will not change the amount the county pays.

**Explanation of Local Revenues:** Counties with a local option income tax may see a minimal increase in income taxes.

**State Agencies Affected:** General Assembly; State judiciary; State elected officials; other judicial officers

**Local Agencies Affected:** Counties with a local option income tax.

**Information Sources:**