



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 149** HLS 23RS 222
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 25, 2023	3:35 PM	Author: MARINO
Dept./Agy.: Legislature		
Subject: Compensation		Analyst: Tanesha Morgan

LEGISLATORS OR +\$3,411,407 GF EX See Note Page 1 of 2
 Provides for the compensation of members of the legislature

Present law provides that in addition to per diem and all other allowances, members of the legislature shall be paid an annual salary of \$16,800. Proposed law increases the annual salary for members of the legislature to \$60,000 for the term beginning in 2024.

Proposed law increases the annual salary for the president of the Senate and the speaker of the House of Representatives from \$32,000 to \$114,000 for the term beginning in 2024.

Proposed law increases the annual salary for the president pro tempore of the Senate and the speaker pro tempore of the House of Representatives from \$24,500 to \$87,480 for the term beginning in 2024.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$3,411,407	\$6,822,814	\$6,822,814	\$6,822,814	\$7,315,321	\$31,195,170
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$3,411,407	\$6,822,814	\$6,822,814	\$6,822,814	\$7,315,321	\$31,195,170

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This bill will increase expenditures of the legislature by \$3,411,407 in FY 24 associated with 6 months of salaries and benefits. This cost will be annualized for a total annual cost of \$6,822,814 in future fiscal years.

Beginning January 2024, the bill increases the annual salary of members of the legislature from \$16,800 to \$60,000, the annual salary of the president pro tempore and the speaker pro tempore from \$24,500 to \$87,480, and the annual salary of president and speaker from \$32,000 to \$114,000.

The total annual cost of the salary increase for members is \$6,048,000 (\$43,200 increase X 140 members).
 The total annual cost of the salary increase for the pro tempores is \$125,960 (\$62,980 increase X 2 members).
 The total annual cost of the salary increase for the president and speaker is \$164,000 (\$82,000 increase X 2 members).
 The total annual cost of all the salary increases is \$6,337,960 (\$6,048,000+\$125,960+\$164,000)
 The increase associated with related benefits is \$484,854 (7.65% benefits x \$6,337,960 salary).

Salary	\$6,337,960
Benefits	\$484,854
Total Annual Cost	<u>\$6,822,814</u>

Note: The bill provides for increase in salary every four years based on Consumer Price Index For All Urban Consumers (CPI-U). The first increase would occur in January 2028. The CPI-U for FY 28 is unknown at this time.

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REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<p><u>Senate</u></p> <p><input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>House</u></p> <p><input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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Evan Brasseaux

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 Interim Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

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However, for illustrative purposes, had this law been in current effect and over the previous two terms, the percentage increase by term would have been as follows:

	Avg CPI-U 2018	Avg CPI-U 2022	% Increase from prior
Term Starting 2024	251.107	292.655	16.55%
Term Starting 2020	236.736	251.107	6.07%
Term Starting 2016	218.056	236.736	8.57
		3 Term Average	10.39%

Assuming the CPI-U for the term beginning in 2028 were to equal the 3 term average from 2012 to 2020, the annual impact of a 10.39% increase is \$985,015 ((Current Base of \$2,653,573 + Growth of \$6,822,814) x 10.39%). Six months of this increase (\$492,507) is included in the FY 28 column of the expenditure table. Under this 10.39% assumed growth scenario, the adjustment to proposed base salaries beginning in 2024 would result in a salary of \$66,237 for members for the term starting in 2028, \$96,573 for the pro tempores and \$125,850 for the President and Speaker.

NOTE: Given the volatility of inflation, the percentage increase calculated from the CPI-U may vary significantly from the example given.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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