

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 249** HLS 24RS 382

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 16, 2024	12:42 PM	Author: GREEN
Dept./Agy.: Elected officials		Analyst: Tanesha Morgan
Subject: Compensation commission		

ELECTED OFFICIALS/COMP OR INCREASE GF EX See Note Page 1 of 1
Provides for the establishment and powers, functions, and duties of the compensation commission

Proposed law provides for the Compensation Commission. Requires it to complete a comprehensive examination and evaluation of the salary and other compensation for each elected official whose salary or other compensation was established by statute prior to Jan. 1, 2024, and to establish a new salary and other compensation for each office or class of offices based upon its examination and evaluation no later than Jan. 15, 2035. Provides that it consists of 15 members who serve 10-year terms all appointed from a list of eligible nominees. Proposed law requires the commission to publish its compensation recommendation for an office no later than Jan. 15th of the last full calendar year of a term of office for that office or class of offices following its evaluation of the salary and other compensation for that office or class of offices. Provides that the change in salary and other compensation shall become effective at the beginning of the subsequent term of office for that office and any conflicting provision of law shall be null and of no effect. Proposed law provides that the commission shall terminate on Jan. 15, 2035, or when it notifies the legislature that it has completed its duty.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	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

The proposed legislation is anticipated to increase SGF expenditures by approximately \$56,143 (\$39,021 salaries and \$17,122 related benefits) within the Legislative Auditor associated with hiring a research assistant to support the Compensation Commission. The proposed legislation creates the Compensation Commission within the Legislative Auditor. Members of the council do not receive compensation. However, the bill provides that the legislative auditor shall provide necessary staff support to the commission.

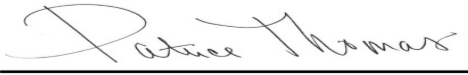
In future fiscal years, there may be additional costs associated with potential increases in elected officials' salaries and compensation. If the commission recommends increases in salaries or other compensation for elected officials, this would result in higher ongoing costs for the state and/or local governments. For illustrative purposes, in 2015, the Independent Citizens Commission in Arkansas recommended salary adjustments for 15 out of 16 offices or classes of offices for elected officials. The increases ranged from 11% to 153%.

REVENUE EXPLANATION

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

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}


Patrice Thomas
Deputy Fiscal Officer