

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 188** SLS 13RS 183
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 22, 2013 9:13 AM	Author: MARTINY
Dept./Agy.: Judiciary	Analyst: Travis McIlwain
Subject: Judicial Compensation	

JUDGES RE +\$2,469,573 GF EX See Note Page 1 of 2
 Provides for salaries of judges as recommended by the Judicial Compensation Commission. (gov sig)

Proposed bill provides that the actual salary of the judges of the supreme court, courts of appeal, and district courts shall be increased as follows: supreme court - 5.5% increase, courts of appeal - 3.7% increase, district courts - 4% increase, subject to annual appropriation. Proposed bill provides for the actual salary of the judges of the supreme court, courts of appeal, and districts courts shall be increased by 2.1% on July 1, 2014, 2015, 2016 and 2017. Proposed bill provides that the actual salary of judges of city courts and parish courts shall be increased by 2.1% on July 1, 2014, 2015, 2016 and 2017. Proposed bill provides this Act shall only become effective in the event that any salary increase conform to the appropriation provided in HB 691 of the 2013 Regular Legislative Session.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$2,469,573	\$1,353,453	\$1,381,876	\$1,410,895	\$1,440,523	\$8,056,320
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	2013-14	2014-15	2015-16	2016-17	2017-18	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed bill will result in an increase in state general fund expenditures as a result of increasing judicial compensation at the district, appellate, supreme court and city/parish levels in the amount of approximately \$2.5 million in FY 14 and approximately \$1.4 million in subsequent fiscal years. The increase includes salary, medicare (1.45%) and retirement costs (36.3%) as a result of the increased salaries.

There are a total of 372 judges (7 Supreme Court, 53 Appellate judges, 218 District judges, 94 City/Parish judges) in the state that would be impacted by this bill. The total salary cost for the 372 judges in FY 13 is \$44,994,972. The chart below shows the FY 14 increase as a result of the salary increases of 5.5% for Supreme Court, 3.7% for Appellate Courts, and 4% for District & City/Parish Courts.

Court	Current Salary	Salary Increase	Medicare	Retirement	Total	Increase
Supreme Court	\$1,062,882 x 5.5%	\$58,459	\$848	\$21,220	\$1,143,409	\$80,527
Appeals Court	\$7,648,906 x 3.7%	\$283,010	\$4,104	\$102,732	\$8,038,749	\$389,843
District Court	\$30,028,192 x 4%	\$1,201,128	\$17,416	\$436,009	\$31,682,745	\$1,654,553
City/Parish	\$6,254,992 x 4%	\$250,200	\$3,628	\$90,822	\$6,599,642	\$344,650
TOTAL	\$44,994,972	\$1,792,797	\$25,996	\$650,783	\$47,464,545	
\$2,469,573						

Below is a chart that illustrates subsequent fiscal year impact of increasing salaries by 2.1% for FY 15 to FY 18.

	Total Salary	Salary Increase	Medicare	Retirement	Total	Increase
FY 15	\$46,787,769 x 2.1%	\$982,543	\$14,247	\$356,663	\$48,141,222	\$1,353,453
FY 16	\$47,770,312 x 2.1%	\$1,003,177	\$14,546	\$364,153	\$49,152,188	\$1,381,876
FY 17	\$48,773,489 x 2.1%	\$1,024,243	\$14,852	\$371,800	\$50,184,384	\$1,410,895
FY 18	\$49,797,732 x 2.1%	\$1,045,752	\$15,163	\$379,608	\$51,238,255	\$1,440,523

See Page 2 REVENUE EXPLANATION

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

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

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 Staff Director

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CONTINUED EXPLANATION from page one:

Local Funds Impact

This bill may result in an indeterminable increase of local fund expenditures due to local sheriff pay raises. Act 350 of the 2012 Regular Legislative Session linked district court judge pay raises to Sheriff pay raises. If district court judges' pay is increased, then Sheriffs pay is increased if the sheriff meets the other requirements of Act 350. These raises are permissive. In addition, pursuant to Act 350, in order to be eligible for such raises, the sheriff shall complete training requirements outlined in Act 350 (LA Sheriff's Executive Management Institute). The LFO is unable to determine the specific fiscal impact of these raises as each sheriffs' pay rates vary statewide. However, according to the LA Sheriff's Association there are currently 42 sheriffs that have completed the Act 350 training requirements and would be eligible to receive a 4% pay increase if this bill is enacted.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
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