

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 27** SLS 19RS 121
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|--|-------------------------------|
| Date: June 1, 2019 10:21 AM | Author: MARTINY |
| Dept./Agy.: Judicial | Analyst: Willis Brewer |
| Subject: Salaries for judges recommended by Judicial Commission | |

JUDGES EN +\$1,802,964 OF EX See Note Page 1 of 1
 Provides relative to salaries for judges as recommended by the Judicial Compensation Commission. (gov sig)

Present law provides relative to judicial compensation and salaries for the years 2013 through 2017. **Proposed law** provides that the actual salary of the judges of the supreme court, courts of appeal, and district courts shall be increased by 2.5% on July 1st of 2019, 2020, 2021, 2022, and 2023. **Proposed law** provides that the state-paid salary of city court and parish court judges shall be increased by 2.5% on July 1st of 2019, 2020, 2021, 2022, and 2023.

Proposed law provides that such increases shall be contingent upon approval prior to each July first by the Louisiana Supreme Court and the Louisiana Judicial Budgetary Control Board. Further provides that any salary increase authorized pursuant to proposed law for 2020 shall be funded by the judiciary. **Proposed law** also provides that effective July 1, 2020, any local or state official eligible for compensation under **present law** in R.S. 13:5521 concerning compensation for sheriffs and ex officio tax collectors shall not be eligible for a salary increase pursuant to the **proposed law** for the same fiscal year.

| EXPENDITURES | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 5 -YEAR TOTAL |
|---------------------|-------------|-------------|-------------|-------------|-------------|---------------|
| State Gen. Fd. | \$0 | \$3,651,001 | \$5,545,240 | \$7,486,834 | \$9,476,969 | \$26,160,044 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$1,802,964 | \$0 | \$0 | \$0 | \$0 | \$1,802,964 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Annual Total | | | | | | |

| REVENUES | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 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

Proposed law will result in an increase in SGF expenditures of approximately \$3.6 M in FY 21 and growing to \$9.5 M in FY 24 for personal services and related benefits associated with judicial salary increases recommended by the Judicial Compensation Commission on 1/9/18. **Proposed law** provides for the 2.5% salary increase in FY 20 to be paid for by the Judiciary; however, the state will be obligated to pay for this salary increase (\$1.8 M) and the additional 2.5% increases in the subsequent years. The judiciary indicates it will pay for the FY 20 increase out of its reserve accounts, designated as Ded/Other in this fiscal note.

There are a total of 372 judges (7 Supreme Court Justices, 53 Appellate, 235 District, 7 Commissioners, 68 City/Parish judges, 1 Judicial Administrator, and 1 Clerk of Court) throughout the state that will be impacted by **proposed law**. Below is a chart that represents the approximate annual increase to the extent the 2.5% is approved annually.

| Fiscal Year | Salary Base | Salary Increase | *Retirement Inc. | Medicare Inc. | Ann. Increase | Cumul. Increase |
|-------------|--------------|-----------------|------------------|---------------|---------------|-----------------|
| FY 20 | \$50,134,545 | \$1,253,364 | \$531,426 | \$18,174 | \$1,802,964 | \$1,802,964 |
| FY 21 | \$51,387,908 | \$1,284,698 | \$544,712 | \$18,628 | \$1,848,038 | \$3,651,001 |
| FY 22 | \$52,672,606 | \$1,316,815 | \$558,330 | \$19,094 | \$1,894,239 | \$5,545,240 |
| FY 23 | \$53,989,421 | \$1,349,736 | \$572,288 | \$19,571 | \$1,941,595 | \$7,486,834 |
| FY 24 | \$55,339,157 | \$1,383,479 | \$586,595 | \$20,060 | \$1,990,134 | \$9,476,969 |

*Note: Retirement increases are based on current employer contribution rates as approved by Public Retirement Systems' Actuarial Committee (PRSAC). Future adjustments may vary depending upon the rate adjustment by PRSAC. The current employer contribution rates are 42.4% for retirement and 1.45% for medicare, and are based off of the salary increase.

Local Funds Impact

Act 350 of 2012 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. However, **proposed law** prohibits any local or state official eligible for compensation pursuant to LA R.S. 13:5521 from eligibility for the salary increases authorized in this legislation for that same fiscal year.

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}

Evan Brasseaux
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Staff Director