## LEGISLATIVE FISCAL OFFICE

## Fiscal Note

| Date: May 5, 2023 | $2: 15 \mathrm{PM}$ |
| :---: | :---: |
| Dept./Agy.: Legislature |  |
| Subject: Compensation | Author: MARINO |
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LEGISLATORS
EG $+\$ 1,764,164$ GF EX See Note
Page 1 of 1
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 $75 \%$ of the median household income for Louisiana 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 $200 \%$ of the annual salary for members 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 $150 \%$ of the annual salary for members for the term beginning in 2024.

| EXPENDITURES | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 5 -YEAR TOTAL |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| State Gen. Fd. | \$1,764,164 | \$3,528,328 | \$3,528,328 | \$3,528,328 | \$3,528,328 | \$15,877,476 |
| 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 | \$1,764,164 | \$3,528,328 | \$3,528,328 | \$3,528,328 | \$3,528,328 | \$15,877,476 |
| 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 $\$ 1,764,164$ in FY 24 associated with 6 months of salaries and benefits. This cost will be annualized for a total annual cost of $\$ 3,528,328$ in future fiscal years. Note: Salary will change every four years based on the median household income for Louisiana. A change would occur in January 2028. The median household income for FY 28 is unknown at this time and therefore reflected as standstill in the table above.

Using the currently available reported median household income in Louisiana by the U.S. Census Bureau, beginning January 2024, the bill would increase the annual salary of members of the legislature from $\$ 16,800$ to $\$ 39,065$, the annual salary of the president pro tempore and the speaker pro tempore from $\$ 24,500$ to $\$ 58,598$ and the annual salary of president and speaker from $\$ 32,000$ to $\$ 78,131$.

The total annual cost of the salary increase for members is $\$ 3,117,135$ ( $\$ 22,265$ increase $X 140$ members).
The total annual cost of the salary increase for the pro tempores is $\$ 68,196$ ( $\$ 34,098$ increase $\times 2$ members).
The total annual cost of the salary increase for the president and speaker is $\$ 92,261$ ( $\$ 46,131$ increase $\times 2$ members).
The total annual cost of all the salary increases is $\$ 3,277,592(\$ 3,117,135+\$ 68,196+\$ 92,261)$
The increase associated with related benefits is $\$ 250,736$ ( $7.65 \%$ benefits $\times \$ 3,277,592$ salary ).

Salary
Benefits
Total Annual Cost
\$3,277,592
\$250,736
\$3,528,328
Note: Salary estimates are based on the 2021 Census Bureau median household income for Louisiana, which is $\$ 52,087$. For illustrative purposes, Moody's Analytics forecasts this value to be $\$ 52,794$ by the term beginning in January 2024 . The actual value of the median household income will not be certain until established prior to the beginning of the next legislative term.

## REVENUE EXPLANATION

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

