

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4163-01
Bill No.: SB 1159
Subject: Appropriations; Department of Corrections; Law Enforcement Officers and Agencies; State Employees
Type: Original
Date: March 1, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue*	\$0 or (\$6,452,136 to Unknown)	(\$789,598) or (\$15,686,686 to Unknown)	(\$789,598) or (\$15,686,686 to Unknown)
Total Estimated Net Effect on <u>All</u> State Funds*	\$0 or (\$6,452,136 to Unknown)	(\$789,598) or (\$15,686,686 to Unknown)	(\$789,598) or (\$15,686,686 to Unknown)

***Payment of compensatory time balances is subject to appropriations.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** and the **Office of Administration – Division of Accounting** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of Administration – Division of Budget and Planning** assume the proposed legislation should not result in additional costs or savings to their division. However, compensatory time payoff results in additional fringe costs.

Officials from the **Department of Corrections (DOC)** assume the proposal provides guidelines for the DOC to pay overtime during fiscal year 2003 and each fiscal year thereafter and for a one-time salary increase payment subject to appropriation.

Section 217.105 – The DOC analyzed a snapshot of Corrections Officers (COs) within their employ as of January 15, 2002 for the fiscal impact of the salary increase portion of this bill. \$30 for each officer's years of tenure with the DOC is the basis of the salary increase. An additional 1.5 years of impact would occur before the July 2, 2003 effective date of this proposal and that cost is not included in this note. The estimated cost is as follows:

CLASS	# OF OFFICERS	FY 04 SALARY INCREASE
CO I	4,347	\$579,442.50
CO II	575	142,232.50
CO III	191	67,922.50
Total Fiscal Impact		\$789,597.50

ASSUMPTION (continued)

Section 217.107 – DOC’s actual compensatory time balances as of December 31, 2001 are as follows:

CLASS	COMP HOURS	MULTIPLIED @ \$12 HOURLY AVERAGE
CO I	446,355	\$5,356,260.00
CO II	74,526	894,312.00
CO III	16,797	201,564.00
Total Fiscal Impact – FY 03		\$6,452,136.00

The computation above is paying to a zero balance. Additional comp-time would accrue prior to the July 1, 2002 (FY030 effective date of this payoff and this cost is not included in this fiscal note. It is assumed most officers would choose to receive a pay-off of their comp-time.

Below is an approximate accrual of comp-time over the period of one year. In 2001 more than 50% of accruals were requested and managed off. It is anticipated most officers will request the payoff which will significantly impede management’s attempt to work off the time. This is a conservative estimate as the hourly dollar average will be higher at the increased salary and is subject to appropriation.

CLASS	COMP HOURS	MULTIPLIED @ \$12 HOURLY AVERAGE
CO I	1,032,552	\$12,390,624.00
CO II	162,864	1,954,368.00
CO III	46,008	552,096.00
Total Fiscal Impact – FY 04 & Ongoing		\$14,897,088.00

ASSUMPTION (continued)

In summary, DOC will incur the fiscal expense of the comp-time pay off of \$6,452,136 in FY 03 if the money is appropriated.

FY 04 costs include the average annual comp-time pay off plus the \$30 per years of service increase ($\$14,897,088 + 789,598 = \$15,686,686$).

FY 05 costs include the average annual comp-time pay off, subject to appropriation, plus the \$30 per years of services increase. ($\$14,897,088 + \$789,598 = \$15,686,686$) and DOC will have this fiscal impact for every year thereafter providing the appropriation exists.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Costs – Department of Corrections			
Salary increase	\$0	(\$789,598)	(\$789,598)
Compensatory time pay off*	\$0 or (\$6,452,136 to <u>Unknown</u>)	\$0 or (\$14,897,088 to <u>Unknown</u>)	\$0 or (\$14,897,088 to <u>Unknown</u>)
Total costs – DOC	\$0 or (\$6,452,136 to <u>Unknown</u>)	(\$789,598) or (\$15,686,686 to <u>Unknown</u>)	(\$789,598) or (\$15,686,686 to <u>Unknown</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0 or (\$6,452,136 to <u>Unknown</u>)	(\$789,598) or (\$15,686,686 to <u>Unknown</u>)	(\$789,598) or (\$15,686,686 to <u>Unknown</u>)

***Payment of compensatory time balances is subject to appropriations.**

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

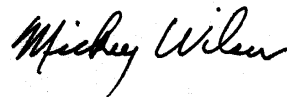
The proposed legislation would provide a one-time pay increase for corrections officers of \$30 per month for each year of service as a corrections officer.

The proposal also would provide for overtime pay or compensatory time to be given to corrections officers. Beginning Fiscal Year 2004, the Department of Corrections would be required to pay corrections officers annually in full for unused overtime hours accrued during the previous fiscal year, subject to appropriations.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Office of the Governor
Office of Administration
 – Division of Accounting
 – Division of Budget and Planning
Department of Corrections



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March 1, 2002