

Fiscal Estimate Narratives

OSER 3/7/2012

LRB Number	11-3936/3	Introduction Number	AB-0648	Estimate Type	Original
Description Establishing an assistant state public defender pay progression plan					

Assumptions Used in Arriving at Fiscal Estimate

AB-648 provides for initial placement of Assistant State Public Defender Attorneys onto pay steps during fiscal year 2013-2014, and authorizes future merit-based pay increases of up to 10% per person per year, starting with fiscal year 2014-2015. Cost projections in this fiscal estimate are based on applying the proposed legislation to Assistant State Public Defender Attorney demographics and pay rates as of January 2012.

INITIAL PLACEMENT ONTO STEP STRUCTURE EFFECTIVE July 1, 2013

Effective July 1, 2013, each Assistant State Public Defender Attorney (ASPDA) employed continuously for at least twelve months and who is not at the pay range maximum would receive a pay increase to the pay step (based on the division of the pay range into seventeen equal pay steps) immediately above their pay rate on June 30, 2013. Between July 1, 2013 and July 1, 2014, all other ASPDAs attaining twelve months of continuous service would receive similar step placement. Guaranteed step placement would occur only during the first year between July 1, 2013 and July 1, 2014. During subsequent years, ASPDAs attaining twelve months of service may be awarded a pay increase of any amount not to exceed 10%.

First-Year Cost - \$780,000, including 14.65% variable fringe (WRS, Social Security/Medicare, life insurance)

Second-Year Cost to continue pay increases awarded the first year - \$910,000

The first-year cost of \$780,000 prorates the cost for employees who attain 12 months of service between July 1, 2013 and July 1, 2014. A half-year cost is assumed for each such ASPDA. The second-year cost of \$910,000 is the cost to continue for a full year the step placement received by ASPDAs during the first fiscal year. The second-year cost does not account for discretionary pay increases that may be awarded to ASPDAs attaining twelve months of service during the second year.

COST OF MERIT PAY PROGRESSION STARTING July 1, 2014

Effective July 1 of each year, starting July 1, 2014, the state public defender has discretion to award merit increases to ASPDAs having at least 12 months of service, in any amount not to exceed 10% in a fiscal year, limited by the pay range maximum. A sum-certain appropriation is created to fund these merit pay increases. The state public defender is likely to grant merit increases according to available funding. If fully funded, it is likely that the state public defender would award merit increases for most or all ASPDAs, and likely tending towards the 10% allowable and funded increase. The following high-end estimate assumes all eligible ASPDAs receive a 10% merit increase, subject to the pay range maximum.

FY 2015 Cost - \$2.00 million, including 14.65% variable fringe (WRS, Social Security/Medicare, life insurance)

TOTAL ESTIMATED COST FOR THE 2013-2015 FISCAL BIENNIUM

\$0.78 million -FY 2014 placement onto pay steps

\$0.91 million -FY 2015 cost to continue placement onto steps

\$2.00 million -FY 2015 cost of pay progression (high-end estimate)

\$2.91 million - FY 2015 annualized cost (high-end estimate)

\$3.69 million 2013-2015 Fiscal Biennium Total Cost (high-end estimate)

Costs would be less to the extent that the chapter 20 appropriation for this pay system is limited and the state public defender awards merit pay increases in amounts less than the 10% allowable maximum.

Long-Range Fiscal Implications

Pay increases of up to 10% per year would continue to be authorized and possibly funded for each year beyond the 2013-2015 biennium. To the extent these increases are funded and awarded, the total payroll for Assistant State Public Defender Attorneys could continue to increase for several years before leveling off when most ASPDAS will have reached the pay range maximum. An ASPDA starting at the current pay range minimum and receiving 10% in merit pay progression each year would reach the pay range maximum in ten years, unless the pay range maximum was increased by more than 7% in that time.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3936/3		Introduction Number AB-0648	
Description Establishing an assistant state public defender pay progression plan			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$2,910,000		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$2,910,000		\$
B. State Costs by Source of Funds			
GPR	2,910,000		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$2,910,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By			
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		Jessica O'Donnell (608) 267-1023	
Date			
3/7/2012			