

CORRECTED FISCAL NOTE

SB 643 - HB 808

February 26, 2007

SUMMARY OF BILL: Removes "subject to budgetary limitations" language from statute requiring Commissioners of Personnel and Finance and Administration to develop procedure for providing additional compensation to civil service employees who are assigned to perform duties of a higher level classification for a period in excess of 90 days.

ESTIMATED FISCAL IMPACT:

On February 22, 2007, we issued a fiscal note indicating a *not significant increase to state expenditures*. Based on corrected information provided by the Department of Personnel, the estimated fiscal impact of this bill is:

(Corrected)

Increase State Expenditures – \$109,100

Increase Federal Expenditures - \$72,800

Assumptions:

- All state appropriations are subject to budgetary limitations. Removing this provision from the statute will not affect this requirement, but it will require state agencies to allocate funds for salary increases that otherwise would have reverted to the Treasury at the end of the fiscal year or would have been allocated to overappropriation.
- Although the Department of Personnel is unaware of any instances in which an employee has been denied higher compensation due to the "budgetary limitations" language of the current statute, the Department assumes that at least 100 persons of the civil service workforce of 39,751 are misclassified at any given point in time. Based on the current average civil service salary of \$33,300, and assuming a one-step increase for 100 employees, each employee's salary would increase by \$1,500.

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This cost for 100 employees would be \$150,000, plus benefits of 21.27% for a total cost of \$181,900. Assuming a 60/40 split between state and federal funding of these positions, \$109,100 would be state dollars and \$72,800 would be federal dollars.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director