

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 943 - SB 799

March 5, 2019

SUMMARY OF BILL: Reinstates FY09-10 salary increases for active assistant district attorneys general and district public defenders.

ESTIMATED FISCAL IMPACT:

On March 2, 2019, a fiscal note for this legislation was issued estimating a fiscal impact as follows:

*Increase State Expenditures – \$28,400/One-Time
\$938,500/Recurring*

Increase Federal Expenditures – \$111,000/Recurring

After further consideration, it was determined the estimated fiscal impact was in error. As a result, the estimated fiscal impact has been corrected as follows:

(CORRECTED)

**Increase State Expenditures – \$28,400/One-Time
\$906,500/Recurring**

Increase Federal Expenditures – \$111,000/Recurring

Corrected Assumptions:

- Public Chapter 531 of 2009 suspended salary increases beginning July 1, 2009 through June 30, 2010 for certain state employees, including ADAs and district public defenders (PDs).
- The proposed legislation will reinstate FY09-10 salary increases for active ADAs and PDs by amounts outlined in Tenn. Code Ann. § 8-7-226 and § 8-14-107.
- The proposed legislation will apply to 131 ADAs paid with state funds and will collectively increase their base salaries by an estimated \$436,248.
- The proposed legislation will apply to 17 ADAs paid by a contract with the Department of Human Services (DHS) for child support enforcement services and will collectively increase their base salaries by an estimated \$76,020.
- Salaries and benefits of ADAs paid by the contract with DHS for child support enforcement services are funded by 66 percent with federal funds and 34 percent with

HB 943 - SB 799 (CORRECTED)

matching DHS funds; therefore, the proposed legislation will lead to a recurring increase of base salaries of \$50,173 ($\$76,020 \times 66\%$) for federal ADA salary expenditures and a recurring increase of base salaries of \$25,847 ($\$76,020 \times 34\%$) for in state ADA salary expenditures.

- The proposed legislation will apply to 9 ADAs paid with federal grant funds and will collectively increase their base salaries by an estimated \$37,307.
- The proposed legislation would apply to 76 PDs and will increase their base salaries by an estimated \$252,360.
- ADAs and PDs do not begin collecting longevity until they have reached a maximum salary base, calculated at \$100 per year for up to 30 years of service on the anniversary date of their hire.
- Five ADAs and seven PDs paid with state funds will reach the maximum salary base, with the reinstated salary increase, with an average of 22 years of service; therefore, the one-time increase in state expenditures for longevity is estimated to be \$28,420 $\{[(5 + 7) \times (\$100 \times 22)] + [(5 + 7) \times (\$100 \times 22) \times 7.65\% \text{ benefits}]\}$.
- All affected ADAs and PDs were employed prior to July 1, 2014; therefore, all retirement benefits are calculated using Legacy Plan rates.
- The total recurring increase in state expenditures for base salary increases is estimated to be \$714,455 ($\$436,248 + \$25,847 + \$252,360$).
- The total recurring increase in state expenditures for additional benefits is estimated to be \$192,046 ($\$714,455 \times 26.88\%$).
- The total recurring increase in state expenditures as a result of this legislation is estimated to be \$906,501 ($\$714,455 \text{ salaries} + \$192,046 \text{ benefits}$).
- The total recurring increase in federal expenditures for base salary increases is estimated to be \$87,480 ($\$50,173 + \$37,307$).
- The total recurring increase in federal expenditures for additional benefits is estimated to be \$23,515 ($\$87,480 \times 26.88\%$).
- The total recurring increase in federal expenditures as a result of this legislation is estimated to be \$110,995 ($\$87,480 + \$23,515$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/amj