

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 622 - HB 1251

March 26, 2019

SUMMARY OF BILL: Entitles each state employee to a salary increase of \$100 per month during each odd-numbered year. Entitles part-time employees to receive a salary increase in proportion to the hours of the employee. Any inactive employees on July 1, 2019 are entitled to the salary increase when the employee returns to active service. Clarifies this only applies in years in which an appropriation is included in the annual appropriations budget of the General Assembly.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$50,427,900/Each FY19-20 and FY20-21
\$100,855,800/Each FY21-22 and FY22-23
Exceeds \$151,283,700/FY23-24 and Subsequent Years

Assumptions:

- Based on information provided by the Department of Human Resources, there are currently 43,259 state employees (40,948 full-time employees, 1,990 part-time employees, and 321 season employees) who would be eligible for the proposed raise. These numbers are assumed to remain constant in subsequent years.
- The first year impacted by this legislation will be FY19-20.
- The increase in state expenditures for full-time state employees is estimated to be \$49,137,600 (40,948 employees x \$100 x 12 months).
- The increase in state expenditures for part-time employees is estimated to be \$1,194,000 (1,990 employees x \$100 x 6 months).
- The increase in state expenditures for seasonal employees is estimated to be \$96,300 (321 employees x \$100 x 3 months).
- The total increase in state expenditures is estimated to be \$50,427,900 (\$49,137,600 + \$1,194,000 + \$96,300). Such increase in expenditures will be incurred in each FY19-20 and FY20-21.
- There will be an additional increase in state expenditures of \$50,427,900 in each FY21-22 and FY22-23 (for a total increase of \$100,855,800 in each of those years) and this pattern will continue into perpetuity. The increase in state expenditures beginning in FY23-23 is estimated to exceed \$151,283,700 (\$100,855,800 + \$50,427,900)

CERTIFICATION:

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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