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FISCAL IMPACT REPORT

SPONSOR Martinez DATE TYPED 01/26/04 HB 129

SHORT TITLE Full-Time Judicial Employee Salary Increases SB _____

ANALYST Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$2,127.0			Recurring	General Fund

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

House Bill 129 appropriates \$2.127 million from the general fund to the Department of Finance and Administration (DFA) for expenditure in fiscal year 2005 to provide salary increases for full-time judicial employees in state courts. Of this amount, \$1.532 million is appropriated to implement a two and eight-tenths percent compa-ratio restoration for judicial employees and \$595 thousand is appropriated to bring judicial employees to at least ninety percent of their salary ranges.

Significant Issues

The AOC provided the following definitions that may be helpful to this analysis:

- Compa-Ratio - Pay expressed as a percentage of the midpoint of a salary range.

- Midpoint - The salary midway between the minimum and maximum pay rates of a salary range. The midpoint represents the competitive market rate for jobs with the same relative worth in relevant labor markets.
- Salary Ranges/Salary Structure - The range of pay rates, from minimum to maximum. The Judicial Branch salary range has a minimum value of 80 percent and the maximum value of 125 percent.

2.8% compa-restoration (\$1,532.0)

The Judicial Branch Salary Structure was adjusted by 2.8 percent, effective January 1, 2004. The structure adjustment is necessary to maintain a salary structure that is competitive within relevant labor markets.

The AOC states that without a compa-restoration, judicial branch employees will remain stagnant in their assigned salary ranges, and will continue to fall below the competitive market. The 2.8 percent Salary Structure adjustment was initiated to support the foundation for employee growth and development and will also help restore an employee's compa-ratio placement.

90% compa-ratio initiative (\$595.0)

This bill will recognize employee competency in their assigned salary range, slightly above the minimum of 80 percent, affecting the lowest paid staff, the majority of which are Judicial Specialists (Clerk 2's). Forty-six percent of Judicial Specialists (Clerk 2's) statewide are below 90% compa-ratio. A total of 310 employees of the judiciary located throughout all judicial districts are compensated at less than 90 percent of their compa-ratio. This funding would equalize the pay rate for employees statewide who are in the same positions and are performing the same job duties.

Judicial employees who are currently placed the lowest in their assigned salary range will remain below the 90% compa-ratio. This causes retention problems in the magistrate courts, as employees gravitate to the Metropolitan Court and District Courts for better salary opportunities. Low salaries also impact the recruitment process by placing a compensation ceiling for new hires with great applicable experience and education. Morale problems could continue due to inconsistency in pay for individuals performing the same job duties who are receiving lower pay.

FISCAL IMPLICATIONS

The appropriation of \$2.127 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The AOC will administer the provisions of this bill with existing staff.

DW/prr:lg