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FISCAL IMPACT REPORT

ORIGINAL DATE 01/23/05

SPONSOR Snyder LAST UPDATED _____ HB _____

SHORT TITLE Judicial Salary Increases SB SB 133

ANALYST McSherry

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$1,355.8	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Senate Bill 133 is a companion to House Bill 181 and relates to Senate Bill 91 and House Bill 107.

House Bill 181 duplicates the judges compensation appropriation in the current (LFC) version of the General Appropriation Act.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	0	Up to \$29 thousand	\$0-\$29.0	\$0-\$48	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
Judiciary budget documents

Responses Received From
Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 133, "Judicial Salary Increases" appropriates \$1,355.8 thousand from the general fund to the AOC for the purpose of increasing the salaries of all justices, judges and magistrates. The bill corresponds with the judiciary's proposal to adjust the annual salary of an associate justice of the Supreme Court to \$115,040 from the current salary of \$106,960 dollars.

By setting the salary of an associate justice at \$115 thousand, the salaries of Court of Appeals judges, district judges, metropolitan court judges and magistrates would increase according to a statutorily-set compensation hierarchy. Chief justices and judges are paid \$2 thousand more than associate justices and judges. Court of Appeals judges are paid 95 percent of an associate justice salary; district judges are paid 95 percent of a Court of Appeals judge salary; metropolitan court judges are paid 90 percent of a district court judge and magistrates are paid 75 percent of metropolitan court judges.

FISCAL IMPLICATIONS

Estimated additional operating budget impact for FY07 and FY08 is based upon another judicial salary proposal, to increase the metropolitan court judges compensation from 90 percent to 95 percent. If that bill passes, the fiscal impact of this bill would then increase by approximately \$30 thousand, or the salaries of the judiciary would not be fully funded under the proposal.

The appropriation of \$1,355.8 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund

SIGNIFICANT ISSUES

The judiciary's proposal for compensation increases is a result of the recommendations from the Judicial Compensation Commission which was created during the 2005 legislative session.

The LFC recommendation for judge compensation is equivalent to the proposed funding in this bill.

PERFORMANCE IMPLICATIONS

It is possible that increased salaries could attract higher caliber judges. The AOC proposes that increased salaries would be an incentive for judges to remain in the judiciary until retirement, providing endurance and expertise in the judiciary.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The compensation recommendation included in the first version of the General Appropriations Act includes funding for the proposed judicial salary increases in this bill.

Senate Bill 133 is a companion bill to House Bill 181 and relates to House Bill 107 and Senate Bill 81 which both proposed metropolitan court judge and magistrate salary increases.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, the additional funds proposed will not be appropriated for judicial salary increases. The LFC recommendation for compensation includes funding for this recommendation and would provide the suggested increases if it is adopted in the General Appropriations Act.