

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 90 (First Edition)

SHORT TITLE: GA Compensation Tied to State Employees' COLA

SPONSOR(S): Representative Sutton

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 2001-02 FY 2002-03 FY 2003-04 FY 2004-05 FY 2005-06

REVENUES

EXPENDITURES

\$33,048* \$67,419** \$68,766** \$70,141**

POSITIONS:

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: General Assembly

For illustrative purposes a 2% increase is estimated for the 2001-02 fiscal year.

* This amount reflects 6 months cost based upon increases authorized in the 2001 and 2002 Sessions.

** The annualized cost reflects a compounding effective of the increase in subsequent years. The cost would increase with the change in the percentage.

EFFECTIVE DATE: Upon Ratification

BILL SUMMARY: The legislation sets the procedure for calculating automatic increase in General Assembly compensation by directing the Legislative Services Officer to calculate it based on average increases of state employees. Compensation changes become effective with the convening of the 2003 Regular Session of the General Assembly.

ASSUMPTIONS AND METHODOLOGY:

Any increase appropriated to State employees prior to the convening of the next long session would not be available to members until the convening of that session. Therefore, if in the 2001 Session, the General Assembly grants state employees a 2% raise effective July 1, 2001, that increase would not be effective for members of the General Assembly until January 2003. Also, if during the 2002 Session, the General Assembly authorizes another 2% raise effective July 1, 2002, that increase would not be effective for members until January 2003. Thus, for budgeting purposes, any increase appropriated for members in the 2001 or 2002 Sessions would not be available until FY 2002-03, and would require funding for 6 months (January - June) only.

The current salary for House and Senate members is \$13,951, for the President Pro Tempore, \$38,151, Deputy Pro Tempore and Speaker, \$21,739, and Majority Leaders, \$17,048 to which social security (7.65%) and retirement (24.70%) are added. If a 2% increase is given during the 2001 and 2002 Sessions for State employees, then \$33,048 (\$66,095 x 1/2 year), which includes salary and fringes, must be appropriated for member increases effective January 1, 2003. The total cost for FY 2002-03 is derived from the increase authorized both sessions and is compounded. The language of the bill seems to allow this to give members the same increase as state employees. In subsequent years this cost is annualized and compounded to maintain the prior year increases.

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