

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-0011 **Date:** July 20, 2015
Prime Sponsor(s): Sen. Baumgardner; Hodge **Bill Status:** Signed into Law
 Rep. Hamner; Rankin **Fiscal Analyst:** Josh Abram (303-866-3561)

BILL TOPIC: COMPENSATION OF STATE & COUNTY PUBLIC OFFICIALS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017	FY 2019-20
State Revenue			
State Expenditures			<u>\$1,330,385</u>
General Fund			1,330,385
FTE Position Change			
Appropriation Required: None required for FY 2015-16.			

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Under current law, the salary of legislators and the salary of certain state officials are set in statute. This bill aligns the salaries paid to State Legislators, the Governor, the Lieutenant Governor, the Secretary of State, the Attorney General, and the State Treasurer, with the salaries paid to certain judicial branch officials. The new salary amount must be adjusted every four years to maintain the alignment. The adjustments take effect for terms beginning in January 2019.

If the Lieutenant Governor is concurrently serving as the head of a principal department and the salary for that position is more than the amount paid to the Lieutenant Governor, that official shall also be paid the portion of the salary that, when combined with the salary for Lieutenant Governor, is equivalent to the amount of salary for that department head.

Under current law, counties are divided into six categories for purposes of fixing the salaries of elected county officials. This bill increases the number of categories to 24. The bill continues to group the same counties that are grouped together under current law into 6 of the new categories with higher salaries than county officials receive under current law. The general assembly is specifically authorized to amend the law in the future to move counties between categories.

The Director of Research of the Legislative Council is directed to periodically adjust the salaries of elected county officials for inflation. Salary amounts must be posted on the General Assembly's web site and take effect for terms following the published adjustment.

State Expenditures

Beginning with FY 2019-20, the bill increases state expenditures for salaries paid to state officials by about \$1.3 million.

The bill increases the salaries of State Legislators, the Governor, Lieutenant Governor, Attorney General, Secretary of State, and State Treasurer, to align with the salaries of certain judicial officials as shown in Table 1. Table 2 identifies the combined impact of these changes. The salary increases take effect beginning in January 2019. Salaries are adjusted every four years to align with changes in the salary of the corresponding judicial position. Although the salary of justices is also set in statute, the General Assembly determines the actual amount of compensation in the annual appropriations act (the Long Bill).

State Official	Current Salary	Salary Aligns with	FY 2015-16 Justice Salary	% of aligned salary	FY 2019-20 State Official Salary*
State Legislators	\$30,000	Class B County Court Judge	\$152,466	25%	\$41,828
Governor	90,000	Chief Justice State Supreme Court	176,799	66%	128,049
Attorney General	80,000	Chief Judge Court of Appeals	169,977	60%	111,916
Lieutenant Governor Secretary of State Treasurer	68,500	Class B County Court Judge	152,466	58%	97,040

* Salary calculations assume an inflation rate of 2.5 percent in FY 2016-17, and an inflation rate of 2.3 percent in subsequent years through FY 2019-20, the first full fiscal year to include the new salary amounts. Compensation in Table 1 is for salary only, and does not include other benefits such as retirement or health insurance.

State Official	Current Salary	FY 2019-20 State Official Salary	Increase	Number of Office Holders	Total Increase FY 2019-20
State Legislators	\$30,000	\$41,828	\$11,828	100	\$1,182,800
Governor	90,000	128,049	38,049	1	38,049
Attorney General	80,000	111,916	31,916	1	31,916
Lieutenant Governor Secretary of State Treasurer	68,500	97,040	28,540	3	85,620
TOTAL					\$1,330,385

Proposed salaries reflect judicial officers' salaries as authorized under Senate Bill 15-234, the FY 2015-16 Long Bill. Salaries of the judicial officers could be higher on the date on which the new salaries become effective. The Colorado Constitution prohibits the General Assembly from increasing or diminishing the salaries of the Governor, Lieutenant Governor, Attorney General, Secretary of State, and State Treasurer during their official term.

Local Government Impact

Beginning with FY 2016-17, county government expenditures for elected officials' salaries increases by about \$6.6 million.

The salaries paid to county commissioners, sheriffs, treasurers, assessors, clerks, coroners, and surveyors are established in statute. Table 3 shows the salaries of these county officials under current law. The bill moves all existing counties into the top tier of the newly created categories, effectively providing for a 30 percent salary increase for each of the affected county officials. Counties may be moved into less expensive categories by special legislation. Table 4 shows the salary increase for each category, and Table 5 shows the number of counties in each category and the total increase in county government expenditures.

Table 3. County Officials' Salaries Under Current Law					
County Category	County Commissioners	Sheriffs	Treasurers, Assessors, Clerks	Coroners	Surveyors
Category I	\$87,300	\$111,100	\$87,300	\$87,300	\$5,500
Category II	72,500	87,700	72,500	44,200	4,400
Category III	58,500	76,000	58,500	33,100	3,300
Category IV	49,700	66,600	49,700	22,100	2,200
Category V	43,800	49,100	43,800	9,900	1,100
Category VI	39,700	46,500	39,700	9,000	1,000

Table 4. County Officials' 30 Percent Salary Increase Under SB 15-288					
County Category	County Commissioners	Sheriffs	Treasurers, Assessors, Clerks	Coroners	Surveyors
Category I-A	\$26,190	\$33,330	\$26,190	\$26,190	\$1,650
Category II-A	21,750	26,310	21,750	13,260	1,320
Category III-A	17,550	22,800	17,550	9,930	990
Category IV-A	14,910	19,980	14,910	6,630	660
Category V-A	13,140	14,730	13,140	2,970	330
Category VI-A	11,910	13,950	11,910	2,700	300

* The bill also creates categories B, C, and D for each level; however, the bill puts all existing counties into the "A" tier, effectively increasing each official's salary by 30 percent.

Table 5. Increased County Expenditures Under SB 15-288			
County Category	Increased salary increment for all county officials (From Table 4)	Number of counties in each category	Total increase for each category
Category I-A	\$165,930	9	\$1,493,370
Category II-A	127,890	8	1,023,120
Category III-A	103,920	20	2,078,400
Category IV-A	86,910	10	869,100
Category V-A	70,590	13	917,960
Category VI-A	64,590	3	193,770
TOTAL			\$6,575,430

Effective Date

The bill was signed into law by the Governor on June 3, 2015, and takes effect August 5, 2015, assuming no referendum petition is filed.

State and Local Government Contacts

Counties
Law
OSPB

Governor's Office
Legislative Council
State

Judicial
Local Affairs
Treasury