

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSHB 379(FIN)
Fiscal Note Number:	3
(H) Publish Date:	4/27/2016

Identifier: HB379CS(FIN)-ACS-Various-04-23-16
 Title: STATE EMPLOYEE & OFFICER
 COMPENSATION
 Sponsor: RLS BY REQUEST
 Requester: House Rules Committee

Department: Various (for Fiscal Notes only)
 Appropriation: Various
 Allocation: Court System
 OMB Component Number: 0

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services	(595.6)		***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	(595.6)	0.0	***	***	***	***	***	***

Fund Source (Operating Only)

1004 Gen Fund	(589.3)							
1037 GF/MH	(6.3)							
Total	(595.6)	0.0	***	***	***	***	***	***

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated to reflect changes in impact from House Finance Committee CS (version E).

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 Agency: Alaska Court System

Phone: (907)463-4736
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REPORTED OUT OF
HFC 04/25/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

The House Finance Committee Substitute for House Bill 379 (version E) eliminates (or reduces) pay step increases for employees in the Judicial Branch, effectively "freezing" their salaries as of July 2, 2016, with a provision that could incrementally permit a percentage of the step increases depending on the price of oil. This fiscal note encompasses the impact to the Alaska Court System, the Judicial Council, and the Commission on Judicial Conduct, and combines OMB components 767, 768, 769, 770, 771, and 2950.

No employees in the judicial branch are covered by collective bargaining agreements. In addition, justices, judges, law clerks, the Administrative Director, and the Deputy Director do not receive pay step increases. This bill therefore affects the wages of every other judicial employee, including clerks and administrators.

Merit and longevity step increases are not funded in the judiciary's base budget; these are absorbed in the judiciary's operations, and are the factors that increase our personal services underfunding each year. We pay these increases to employees by managing open positions, and deliberately holding positions vacant. This note reflects the total impact to the judiciary for FY 17 as \$595,600.

For years beyond FY 17, step increases are reliant on the per-barrel price of ANS crude, under section 10 of the CS for HB 379. This is not predictable with certainty, and therefore employee salaries are not predictable and the fiscal impact on the Judiciary is indeterminate. In addition, the number of employee salaries affected by the bill vary each fiscal year as eligible employees leave employment, adding to the indeterminate nature of the fiscal impact on the Judiciary's budget in future years.

RDU	FY17 Merit/Longevity Cost
Appellate Courts	(24.6)
Trial Courts	(457.3)
Administration	(80.9)
Subtotal Alaska Court System	(562.7)
Therapeutic Courts	(6.3)
Subtotal Alaska Court System	(569.0)
Alaska Judicial Council	(18.6)
Commission on Judicial Conduct	(8.0)
Total Judicial Branch	(595.6)