

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0947-01  
Bill No.: HB 218  
Subject: Judges; Retirement Systems and Benefits - General  
Type: Original  
Date: January 25, 2011

---

Bill Summary: This proposal allows senior judges or commissioners to elect, in times of budget stress, to forgo regular pay for minimum wage.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 to \$158,333	\$0 to \$190,000	\$0 to \$190,000
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 to \$158,333</b>	<b>\$0 to \$190,000</b>	<b>\$0 to \$190,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the State Courts Administrator (CTS)** assume the proposal would not fiscally impact the courts. CTS states there are currently no Senior Commissioners. Also, CTS states the Senior Judges are paid \$32.04 per hour worked and cumulatively work 7,680 hours in a given year.

Officials from the **Missouri State Employee Retirement System** state this legislation carries no fiscal impact to the Judicial Plan.

According to the budget request for CTS, the FY 2011 appropriation includes 5.0 FTE Senior Judges, which according to CTS is the total part-time work accumulated for all Senior Judges throughout the state for the year. The appropriation for Senior Judges in FY 2011 is \$246,332, which when divided by the \$32.04 hourly wage equates to roughly 7,680 hours of paid work. The state's minimum wage for 2011 is \$7.25 per hour. Therefore, assuming this 7,680 hours of work by Senior Judges in a given year would be paid at the minimum wage (\$7.25) instead of the current rate (\$32.04), this equate to roughly \$55,680 of pay. Therefore, if all Senior Judges elected to be paid at the minimum wage rate, the state would realize a savings of roughly \$190,000. This proposal is permissive in nature and simply allows Senior Judges to elect to be paid the minimum wage in 'times of budget stress'; therefore, **Oversight** will range the fiscal impact of the proposal from \$0 (not in times of budget stress or no Senior Judges voluntarily reduce their pay) to a potential annual savings of \$190,000. Oversight will reflect a potential 10 months of impact in FY 2012.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Savings - Office of the State Courts Administrator</u>			
Senior Judges can elect to be paid at the minimum wage	<u>\$0 to \$158,333</u>	<u>\$0 to \$190,000</u>	<u>\$0 to \$190,000</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 TO \$158,333</u></b>	<b><u>\$0 TO \$190,000</u></b>	<b><u>\$0 TO \$190,000</u></b>

FISCAL IMPACT - Local Government

FY 2012  
(10 Mo.)

FY 2013

FY 2014

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

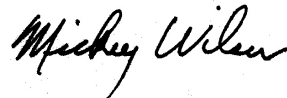
FISCAL DESCRIPTION

This bill allows a senior judge or senior commissioner to elect to forgo his or her regular salary and receive only the minimum wage during times of budget stress.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator  
Office of Administration  
Missouri State Employee Retirement System



Mickey Wilson, CPA  
Director  
January 25, 2011