



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2019 Biennium

<b>Bill #</b>	SB0294	<b>Title:</b>	Generally revise laws related to state government pay plans
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<b>Primary Sponsor:</b>	Fitzpatrick, Steve	<b>Status:</b>	As Amended in Senate Committee
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- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>
<b>Expenditures:</b>				
General Fund	\$78,315	\$77,115	\$78,272	\$79,446
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u><u>(\$78,315)</u></u>	<u><u>(\$77,115)</u></u>	<u><u>(\$78,272)</u></u>	<u><u>(\$79,446)</u></u>

**Description of fiscal impact:** SB 294 revises the state pay system known as the Broadband Pay Plan. The bill eliminates the pay bands and makes other changes to the state pay plan. The bill also requires the Office of Budget and Program Planning to review and approve changes in position classifications and monitor and report on the status of employee pay in relation to occupational wage ranges.

### FISCAL ANALYSIS

#### Assumptions:

#### **Governor's Office of Budget and Program Planning (OBPP)**

1. SB 294 requires the Office of Budget and Program Planning to review and approve any proposed changes to the classification of an occupation or its related job evaluation factors.
  - a. During 2015, there were 1,295 actions on the state human resources system related to a classification review. It is assumed 1,042 of these actions would require review by OBPP.
  - b. It is estimated that an average classification review takes approximately one-half hour. A subset will take approximately an hour to complete.
  - c. This work would require approximately 0.5 FTE.
2. SB 294 also requires OBPP to monitor the way each agency compensates its employees within the parameters of the occupational wage range of each occupation and requires OBPP to provide a report as

provided for in Section 2 (5) (c). This would require continual communication with and monitoring of agencies. It is estimated that this work would require 0.50 FTE.

3. Salary and benefits are estimated to be \$74,115. Operating expenses are estimated to be \$1,200 one-time-only and \$3,000 ongoing annually.
4. A 1.5% inflation factor is applied for FY 2020 and FY 2021.

	<u><b>FY 2018 Difference</b></u>	<u><b>FY 2019 Difference</b></u>	<u><b>FY 2020 Difference</b></u>	<u><b>FY 2021 Difference</b></u>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	1.00	1.00	1.00	1.00
<b><u>Expenditures:</u></b>				
Personal Services	\$74,115	\$74,115	\$75,227	\$76,355
Operating Expenses	\$4,200	\$3,000	\$3,045	\$3,091
<b>TOTAL Expenditures</b>	<u><u>\$78,315</u></u>	<u><u>\$77,115</u></u>	<u><u>\$78,272</u></u>	<u><u>\$79,446</u></u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$78,315	\$77,115	\$78,272	\$79,446
<b>TOTAL Funding of Exp.</b>	<u><u>\$78,315</u></u>	<u><u>\$77,115</u></u>	<u><u>\$78,272</u></u>	<u><u>\$79,446</u></u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$78,315)	(\$77,115)	(\$78,272)	(\$79,446)

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*