

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 14, 2019

TO: Honorable Jeff Leach, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB847 by Wray (Relating to longevity pay for certain judges and justices.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB847, As Introduced: a negative impact of (\$1,787,719) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$862,521)
2021	(\$925,198)
2022	(\$925,198)
2023	(\$925,198)
2024	(\$925,198)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2020	(\$862,521)
2021	(\$925,198)
2022	(\$925,198)
2023	(\$925,198)
2024	(\$925,198)

Fiscal Analysis

The bill would amend the Government Code to modify the longevity pay structure for appellate and district judges to be the product of 0.2 percent of the judges current monthly salary multiplied by the number of years of service credited to the judges applicable retirement system. The bill would provide that the judge would be eligible to receive longevity pay beginning the month after the judge completes four years of service to their respective retirement systems.

The bill would take effect September 1, 2019.

Methodology

Current statute allows a judge to receive longevity pay that is 0.31 percent of their current monthly salary beginning the month after the judge as completed 16 years of service credit to their respective state retirement system. As an example, the current monthly salary of a district judge is \$11,667 ($\$140,000/12 = \$11,667$). If eligible, longevity pay adds an additional \$361 each month ($\$11,667 \times 0.031 = \361) for a total monthly salary of \$12,028.

Under the provisions of the bill, a district judge with four year of service credit would receive a monthly salary of \$11,667 ($\$140,000/12 = \$11,667$) and an additional \$93 in longevity pay each month ($\$11,667 \times 0.002 \times 4 \text{ years} = \93) for a total monthly salary of \$11,760. The bill does not cap the number of years a judge may use a multiplier to calculate longevity pay; therefore, longevity pay will increase incrementally after each completed service year.

Under the provisions of the bill, 16 high court judges, 50 appellate court judges, and 332 district judges would be eligible to receive longevity pay in the 2020-21 biennium and would require an additional \$862,521 in General Revenue in fiscal year 2020 and \$925,198 in fiscal year 2021 for a total of \$1,787,719 for the 2020-21 biennium. This estimate assumes current years of service and no turnover in the 2020-21 biennium. For the purpose of this analysis, amounts for 2021 are continued in the table above through 2024 for estimating purposes. Although longevity pay would continue to increase each year for each judge continuing in service after four years, the number of judges that would stop service and be replaced by new judges each fiscal year is unknown; however, the turnover in positions is anticipated to be minimal through 2024.

State judicial compensation is traditionally met through a mix of General Revenue and Judicial Fund No. 573 funding, however for the past several fiscal years Judicial Fund No. 573 revenues have not been sufficient to meet all judicial salary obligations. Due to this, General Revenue funding has been used to meet the remaining obligations. Therefore, this estimate assumes General Revenue funding would be needed to cover the full state obligations for these provisions.

Technology

No technology impact is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts

LBB Staff: WP, SLE, MW, DA