

Fiscal Estimate Narratives

OSER 2/22/2012

LRB Number 11-3862/1	Introduction Number SB-394	Estimate Type Original
Description Establishing an assistant district attorney pay progression plan		

Assumptions Used in Arriving at Fiscal Estimate

Please see the fiscal estimate attachment for the narrative of assumptions and cost scenarios.

Long-Range Fiscal Implications

Indeterminate, depending on funding or lack thereof, depending on whether the statutory limit of individual within-range pay increases of 10% per year applies, and depending on the discretionary choices of District Attorneys to award merit pay progression adjustments and in what amounts.

Fiscal Estimate for SB-394 – LRB# 11-3862/1 Assistant District Attorney Pay Progression

Preliminary Assumptions of Legislative Intent

The legislation describes seventeen equal steps, each equal to one-seventeenth of the difference between the pay range minimum and maximum. However, the legislation also states that the first step shall equal the pay range minimum and the last step shall equal the pay range maximum. Including the pay range minimum as a step plus seventeen pay range increments actually results in eighteen steps. The assumption of legislative intent for this fiscal estimate is that the pay range is divided into seventeen equal steps, meaning seventeen steps above the pay range minimum.

It seems likely that this legislation does not account for s. 230.12 (5)(d), Wis. Stats., which limits state employees to cumulative pay increases not to exceed 10% during any fiscal year, except as specifically authorized by the state compensation plan. Since it seems doubtful that the 10% individual increase limit was intended to apply to this proposed legislation, this fiscal estimate will consider both possibilities: a cost projection for pay progression where the statutory 10% increase limit applies, and a cost projection where the statutory 10% increase limit is waived.

Cost of Initial Placement onto Step Structure on July 1, 2013

All cost assumptions in this fiscal estimate are based on current Assistant District Attorney demographics and pay rates.

On July 1, 2013, each Assistant District Attorney (ADA) employed continuously for at least twelve months and who is not at the pay range maximum shall receive a pay increase to the pay step (based on the division of the pay range into seventeen equal pay steps) immediately above their pay rate on June 30, 2013. All other ADA's below the pay range maximum will receive similar step placement upon attainment of twelve months of continuous service. This guaranteed step placement occurs only once, with the initial implementation of the pay progression system.

First-Year Cost - \$950,000, including 14.65% variable fringe (WRS, Social Security/Medicare, life insurance)

Second-Year Cost to continue - \$1,010,000

The first-year cost of \$950,000 prorates the cost for employees who will have less than 12 months of service on July 1, 2013, and therefore are not immediately eligible for placement, but will be guaranteed a step increase upon attainment of 12 months service. The second-year cost consists of a full year cost of \$1.01 million for each ADA hired prior to July 1, 2013 and receiving placement during the first fiscal year.

This cost for initial placement is the same whether or not the statutory limit on individual employee pay increases not to exceed 10% is applicable, because one full step for any ADA will be less than a 10% increase.

Cost of Merit Pay Progression Starting July 1, 2014

Effective July 1 of each year, starting July 1, 2014, supervising District Attorneys (DAs) may, at their discretion and based on merit, award subordinate ADAs a pay increase to *any* higher step of the seventeen progression steps, including to the maximum of the pay range. It is highly likely that DAs will wish to award merit increases, but any such awards will require funding. The proposed legislation does not provide or address funding, making it impossible to project how much pay progression may actually occur. Furthermore, at present there is a single statewide salary line budget for all ADAs; there is not a separate salary budget for each prosecutorial district. Administratively, it will be necessary to develop a system for allocating pay progression funds among the sixty prosecutorial districts that employ ADAs. (An additional eleven prosecutorial districts have a DA only, and no ADAs.)

With the caveats above regarding pay progression funding, the following estimates consider three scenarios: one where each eligible ADA receives 1 progression step, a second where each eligible ADA receives the maximum number of steps allowable without exceeding the statutory 10% per year limit on individual increases, and a third where each eligible ADA receives pay progression all at once to the pay range maximum, on the assumption that the statutory 10% per year limit on individual increases was not meant to apply to ADA progression increases.

Scenario 1: On July 1, 2014, a one-step progression increase of \$1.973/hour for each ADA not at the pay range maximum and with continuous service greater than 12 months:
FY 2015 Cost - \$1.55 million, including 14.65% variable fringe (WRS, Social Security/Medicare, life insurance)

Scenario 2: On July 1, 2014, the maximum number of pay progression steps for each eligible ADA, without exceeding the statutory 10% per year limit on individual increases. (Employees can receive only whole steps, not partial steps.)
FY 2015 Cost - \$1.96 million, including 14.65% variable fringe (WRS, Social Security/Medicare, life insurance)

Scenario 3: On July 1, 2014, the maximum number of pay progression steps for each eligible ADA, with the statutory 10% per year individual increase limit waived, i.e. all eligible employees progress immediately to the pay range maximum.
FY 2015 Cost - \$18.22 million, including 14.65% variable fringe (WRS, Social Security/Medicare, life insurance)

Total Estimated Cost for 2013-2015 Fiscal Biennium

Scenario 1	Scenario 2	Scenario 3	
\$0.95 million	\$0.95 million	\$0.95 million	FY 2014 placement onto pay steps
\$1.01 million	\$1.01 million	\$1.01 million	FY 2015 cost to continue placement onto steps
\$1.55 million	\$1.96 million	\$18.22 million	FY 2015 cost of pay progression
\$3.51 million	\$3.92 million	\$20.18 million	2013-2015 Fiscal Biennium Total Cost

These biennial costs may be partially offset by retirements and other departures of higher paid ADAs and replacement by lower-paid ADAs.