



**Colorado
Legislative
Council
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SB17-185

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0360
Prime Sponsor(s): Sen. Gardner
Rep. Gray

Date: March 3, 2017
Bill Status: Senate Finance
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BILL TOPIC: DISTRICT ATTORNEY SALARY COMPENSATION AND PERA

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
State Revenue				
State Expenditures*	<u>\$5,851,552</u>	<u>\$7,128,409</u>	<u>\$8,053,666</u>	<u>\$9,367,563</u>
General Fund	5,851,552	7,128,409	8,053,666	9,367,563
Appropriation Required: \$5,851,552 - Department of Law (FY 2017-18).				
Future Year Impacts: Ongoing expenditure increase.				

* A portion of these amounts is conditional upon the decision of ADAs joining PERA. See the State Expenditures section for more information.

Summary of Legislation

This bill creates minimal salary amounts for any assistant district attorney, chief deputy district attorney, and deputy district attorney based upon the salary ranges of certain employees in the Office of the State Public Offender (OSPD). The bill requires the state to pay an increasing share of these salaries over a four-year period. Salaries are required to be paid on a monthly basis and once the scaling of salary increases is complete, the state will pay:

- 80 percent of the salary for an assistant district attorney (ADA);
- 50 percent of the salary for a chief deputy district attorney (CDDA); and
- 20 percent of the salary for a deputy district attorney (DDA).

Retirement plans. A board of county commissioners within a judicial district, in consultation with the district attorney, may make a one-time, irrevocable election to require any ADA hired after the election to become a member of the Public Employees' Retirement Association (PERA)'s defined benefit plan in the State Division. If this occurs, the state is required to pay 80 percent of the employee contribution, with the counties paying the remainder. An ADA who is employed on the date of the election has 60 days to decide whether to enroll in PERA or remain in his or her existing retirement plan. The employee contribution will continue to be paid by the employee.

Background

There are no current minimum salary requirements for staff of the district attorneys offices. The state currently pays 80 percent of an elected district attorney's salary through the Department of Law. Counties currently pay the full cost of ADAs, CDDAs, and DDAs.

State Expenditures

Beginning in FY 2017-18, this bill will increase state General Fund expenditures in the Department of Law and conditionally increases costs related to participation in PERA.

Salaries. The bill requires that specified positions be paid minimum salaries aligned with the salaries of certain positions within OSPD. Table 1 shows the estimated state share of salaries under the bill, including adjustments where the current salary was below the required minimum. Salary amounts are calculated using 2016 salary and position estimates provided by the Colorado District Attorneys' Council. The exact amounts will vary based on the actual number of positions filled and salary levels at any given time and the fiscal note assumes that the Department of Law may request adjustments to the estimates provided in this analysis through the annual budget process. Consistent with treatment of new personnel in fiscal notes, this analysis does not estimate any salary increases over time. Rather, annual updates to salary payments are also assumed to be addressed through the annual budget process. Please refer to the Technical Note section of this analysis for more information.

Cost Components	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
ADAs	\$1,731,298	\$1,933,282	\$2,077,557	\$2,308,397
Chief DDAs	2,846,316	3,510,456	3,984,842	4,743,860
DDAs	925,082	1,295,115	1,572,640	1,850,164
TOTAL	\$5,502,696	\$6,738,853	\$7,635,039	\$8,902,421

*Salary and percentage of salary details and breakout by Judicial District are available upon request.

PERA. If a county elects to join PERA, the state will incur additional expenses to provide a share of the employer contributions in proportion to the salary it is required to pay for ADAs. The current employer contribution rate for PERA is 20.15 percent. This includes an employer contribution of 10.15 percent, amortization equalization disbursement (AED) payments of 5.0 percent, and supplemental AED payments of 5.0 percent. Table 2 shows the maximum amount, based on current salary and position data, that the state could be required to contribute, if all counties elected to enroll in PERA.

Cost Components	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
ADAs	\$348,856	\$389,556	\$418,627	\$465,142
TOTAL	\$348,856	\$389,556	\$418,627	\$465,142

Local Government Impact

This bill affects local governments in two ways. First, it decreases salary payments for ADAs, DDAs, and CDDAs. Based on the assumptions described above under the State Expenditures section, these savings are estimated to be \$5,092,269 in FY 2017-18, \$6,328,426 in FY 2018-19, \$7,224,612 in FY 2019-20, and \$8,491,994 in FY 2020-21. These amounts are based on current expenditures compared to new expenditures, after modification of salary levels where required by the bill. Second, the bill may alter the amount of contributions counties pay for employee retirement plans on behalf of ADAs if they elect to participate in PERA. These impacts are speculative and have not been estimated, but are likely to result in additional savings.

Statutory Public Entity Impact

Conditional upon a board of county commissioners making an election to require an ADA to become a member of the Public Employees' Retirement Association (PERA)'s defined benefit plan, revenue and liabilities will increase. The employer share for members in the State Division is currently 20.15 percent of the member's salary and the employee share is 8 percent. For example, if an employee earns \$50,000, PERA will receive annualized contributions of \$14,075 for that employee and have future liabilities in accordance with state law. Because it is now known how many, if any, employees will join PERA under SB17-185 and their salary levels, the precise impact to PERA has not been determined.

Technical Note

The bill does not specify which state agency is responsible for verifying salary amounts each year and requesting adjustments in appropriations. For purposes of the fiscal note, this analysis assumes it will be the Department of Law.

Effective Date

The bill takes effect July 1, 2017, and applies to salaries paid to assistant district attorneys, chief deputy district attorneys, and deputy district attorneys on or after this date.

State Appropriations

For FY 2017-18, the bill requires a General Fund appropriation of \$5,851,552 to the Department of Law.

State and Local Government Contacts

District Attorneys
PERA

Information Technology

Judicial