#### NORTH CAROLINA GENERAL ASSEMBLY

### LEGISLATIVE FISCAL NOTE

BILL NUMBER: S 275

SHORT TITLE: Lieutenant Governor Part-Time

**SPONSOR(S):** Senator Forrester

FISCAL IMPACT: Expenditures: Increase ( ) Decrease

(X)

Revenues: Increase ( ) Decrease (

)

No Impact ( )

No Estimate Available ( )

FUNDS AFFECTED: General Fund (X) Highway Fund ()

Local Fund ( ) Other Fund ( )

BILL SUMMARY: An act to restore the Lieutenant Governor to

part-time status as that office was prior to 1973.

**EFFECTIVE DATE:** January 1, 1997

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Office of the

Lieutenant Governor

## FISCAL IMPACT

	<b>FY</b> 95-96	<b>FY</b> 96-97	<b>FY</b> 97-98	FY	98-99 <b>FY</b>	
99-00						
EXPENDITURES	RECURRING	\$0	(\$243,6	578)	(\$534,610)	(\$520

REVENUES/RECEIPTS

RECURRING

NON-RECURRING

**POSITIONS:** 0 (4.0) (8.7) (8.5)

(8.7)

## ASSUMPTIONS AND METHODOLOGY:

1. It is assumed that General Assembly session lengths will be:

Short Session -- 12 weeks Long Session -- 24 weeks

These session estimates are currently used by General Assembly staff for budget purposes.

2. No inflationary increases were incorporated in this analysis.

3. SB 275 does not indicate the caliber of temporary staff that can be employed during session. For purposes of this fiscal note, the temporary staff position allowed during session of the General Assembly is assumed to be a clerical position.

- 4. Projected costs for the Lt. Governor's Office, after enacting SB 275, will be approximately \$117,516 for a fiscal year with a short session of the General Assembly, and \$131,624 for a fiscal year with a long session. Total positions allowed by the bill, including the Lt. Governor, during the periods are 2.3 and 2.5 respectively. A fraction of a position is due to temporary staff employed during session. (See the attached analysis [EXHIBIT A] for more details.)
- 5. The difference in projected costs from a short session to a long session fiscal year is caused primarily by the additional position employed during session, and lengthier payments of subsistence to the Lt. Governor during a long session.
- 6. The authorized budget for the Lieutenant Governor's Office for FY 94-95 is \$652,127 and 11 positions including the Lt. Governor.
- 7. Based on the above information, enactment of SB 275 would yield savings of \$534,611 and a reduction of 8.7 positions during short session fiscal years, and \$520,503 and 8.5 positions during long session years. (See **EXHIBIT** A for savings calculations.)

Since the statute change will be effective January 1, 1997, mid-point of a long session fiscal year, projected savings for that year will only be \$243,678 with an average position reduction of 4. The reduced savings in FY 96-97 assume costs for the Lt. Governor's Office will remain at the levels currently budgeted until December 31, 1996. After that date, staffing and expenditures would be reduced in accordance with SB 275.

**SOURCES OF DATA:** Monthly Budget Report (BD 701) For The Period Ended 12/31/94; 1995-97 North Carolina State Budget as proposed by the Governor

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION 733-4910

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**DATE:** March 13, 1995

[FRD#003]

# LIEUTENANT GOVERNOR'S OFFICE COST AND SAVINGS ESTIMATE

## ESTIMATED COSTS BASED ON SB 275

Net SavingsPosition Reductions	\$534,610 8.7	\$520,503 8.5
ESTIMA	TED SAVINGS (6)	
94/95 Authorized Budget Positions	\$652,127 11	\$652,127 11
	F	Y 94/95 AUTHORIZED BUDGET
Total Estimated Costs Positions	\$117,517 2.3	\$131,624 2.5
Expense Allowance (2) Benefits (3) Subsistence (4) Other Office Expenses(5) Total Other Costs:	\$15,691 \$15,863	\$11,500 \$16,891 \$22,470 \$24,700 \$76,248
Other Costs: Longevity (1) Expense Allowance (2)	\$687 \$11,500	\$687 \$11,500
Year Lt.Governor Admin. Assistant Session Staff Total Salaries	\$13,951 \$31,825 <u>\$4,800</u> \$50,576	\$13,951 \$31,825 <u>\$9,600</u> \$55,376
Salaries:	Sho <u>Fiscal Year</u>	ort Session Long Session <u>Fiscal</u>

### Notes

- 1. Longevity is based on 1.5% of Lt. Governor and administrative asst. salaries.
- 2. Expense allowance is for Lt. Governor only.
- 3. Benefits are estimated at 25% of salaries, longevity, and expense allowance.
- 4. Subsistence is allowed for Lt. Governor during session and at other times during the year when he is attending boards and commissions of which he is a member.

- 5. Other office expenses consist of communication, data processing, travel, printing copying and other expenses incidental to office operations.
- 6. Estimated savings and position reductions for each year are developed by subtracting estimated costs of SB 275 from the 94/95 authorized budget amount.

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