

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]

03/11/95

LIEUTENANT GOVERNOR'S OFFICE
COST AND SAVINGS ESTIMATE

ESTIMATED COSTS BASED ON SB 275

<u>Salaries:</u> <u>Year</u>	<u>Fiscal Year</u>	Short Session	Long Session <u>Fiscal</u>
Lt. Governor	\$13,951		\$13,951
Admin. Assistant	\$31,825		\$31,825
Session Staff	\$4,800		\$9,600
Total Salaries	\$50,576		\$55,376
Other Costs:			
Longevity (1)	\$687		\$687
Expense Allowance (2)	\$11,500		\$11,500
Benefits (3)	\$15,691		\$16,891
Subsistence (4)	\$15,863		\$22,470
Other Office Expenses(5)	\$23,200		\$24,700
Total Other Costs:	\$66,941		\$76,248
Total Estimated Costs	\$117,517		\$131,624
Positions	2.3		2.5

FY 94/95 AUTHORIZED BUDGET

<u>94/95 Authorized Budget</u>	<u>\$652,127</u>	<u>\$652,127</u>
<u>Positions</u>	<u>11</u>	<u>11</u>

ESTIMATED SAVINGS (6)

<u>Net Savings</u>	<u>\$534,610</u>	<u>\$520,503</u>
<u>Position Reductions</u>	<u>8.7</u>	<u>8.5</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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