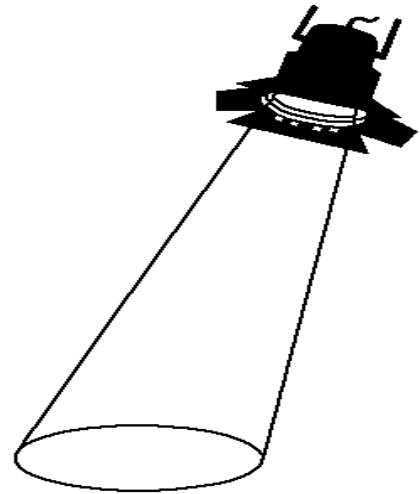


**The University of Tennessee
County Technical Assistance Service**

SPOTLIGHT on CURRENT ISSUES

**Executive Director's Memo
June 21, 2001**



County Officials' Statutory Salaries Become Minimums

NOTE: Legislation that was just enacted as 2001 Public Chapter 405 is changing some aspects of the March, 2001, CTAS Publication on County Officials Salaries for FY2001-2002.

This month, the General Assembly passed a bill to amend the statute that sets county officials' salaries. Senate Bill 336/House Bill 888, which was signed by the Governor on June 19 and became Public Chapter 405, makes some minor adjustments to the population classes that determine officials' salaries, adjusts the method by which state salary increases are calculated to determine increases in county salaries, changes some things about the way educational incentives can be paid to county officials and converts the statutory salary figures - which used to set the exact salary for most officials - into a minimum threshold salary which may be raised by the county legislative body, subject to certain limitations.

Authorization to Increase Salaries Above Minimum

This act adds language to T.C.A. § 8-24-102 to provide that the salary figures set by that statute are minimum compensation levels. Beginning July 1, 2001, subject to certain limitations discussed below, the county legislative body for each county can set the compensation paid to county officials at any amount equal to or above the statutory minimum. This discretion given to the county legislative body is limited in the following ways:

- All the general officers of the county - the Assessor of Property, the County Clerk, the Clerks of Court, the Register of Deeds and the Trustee - must be paid the same salary with the exception of certain educational incentive payments. Therefore, for example, the county legislative body cannot raise the salary for the county clerk above the minimum without also raising the salary of all other officials in this group.
- The law, as amended by this act, keeps in place the requirement that the sheriff and the chief administrative officer of the highway department must be paid at least 10% more than the general officers.
- Similarly, language remains in the statute that the county executive must be paid at least 5% more than the amount paid to any other county constitutional officer. Since the sheriff has the highest salary of the constitutional officers, as a practical matter, the county executive's compensation must be at least 5% higher than the sheriff's salary.
- As long as the salary set by the county legislative body remains higher than the statutorily mandated minimum, the legislative body can raise or lower the salaries of county officials. For example, if the legislative body establishes the salaries for the general officers at 10% more than the statutory minimum salary, it could later decide to reduce the salary down to the statutory minimum.

Change in Computation of Annual Increases

As I am sure you are aware, annual cost of living increases that are made to county officials' salaries are tied to increases in state employees' salaries from the prior fiscal year. The percentage of increase in state employees salaries is applied to the median county to arrive at a dollar amount for a raise which is then awarded, across the board, to that classification of officials in all counties. That practice is not changed by this act. However, language is added to the law to make it clear that if increases are made to selected state employees' salaries outside of the general cost of living increase, those increases must also be included when the Commissioner of Finance and Administration computes and certifies the average annualized increase in state employees' compensation. (That certification must be made on or before May 1 each year.) Since this includes more increases in the overall calculation, it can only have a positive effect on county officials' salaries. Annual increases in the statutory minimum salary figures are capped at 5% per year.

Changes in Educational Incentives

The authorization given to counties to pay officials an educational incentive for becoming a Certified Public Administrator under T.C.A. § 5-1-310 is amended by this act to cap the incentive payment at \$3,000 minus any state education incentive paid to Certified Public Administrators under T.C.A. § 5-1-310(a). Therefore, the combined state and county educational incentive payment paid pursuant to this statute cannot exceed \$3,000. The county payment must come from funds appropriated for such purpose and shall be paid in one lump sum payment no later than October 31. This \$3000 cap would also apply to educational incentives paid to county employees who are not officials. Since those employees do not receive an incentive payment from the state, the county could pay them a maximum of \$3000. While counties are encouraged by the General Assembly to pay educational incentives, this is not required by law.

Changes In Population Classes

This act also makes two adjustments to the population classes used to set officials' salaries. It deletes the smallest population class from the schedule and divides the largest population class at the top of the schedule into three new classes. These new large population classes have no effect on existing salaries of county officials in any counties. The deletion of the smallest class has the following effect.

After the 2000 census, Pickett was left in the smallest population class by itself. The legislature decided with this act to merge it up into the population class above it which will now cover all counties with less than 11,999 in population. This results in an increase in the minimum salary for officials in Pickett County. To determine the new minimum salaries, Pickett County officials can consult the salary tables in the CTAS March, 2001, publication on County Officials' Salaries for FY2001-2002 and use the figures for the next higher population class which formerly applied to counties with a population between 5,000 and 11,999.

Procedural Requirements

A requirement in this act states that if the county commission wants to take an action to pay officials in excess of the statutory minimum compensation levels, this must be accomplished through a resolution which is scheduled to appear on the posted agenda for the county commission meeting.

Effective Date: This act becomes effective on July 1, 2001.

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