

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 22, 2003

TO: Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1174 by Harris (Relating to salary payments to municipal and county employees called to active military duty.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would authorize a municipality and a county to, notwithstanding any other law, continue to pay a salary to municipal and county employees who are members of the military reserve if they are called to active duty and exhaust all of their military leave. The governing body of the municipality or county would be authorized to establish the amount of the salary during that period until the person is no longer required to serve on active duty. Those salary payments would be from a local government's general fund or other funds available for that purpose on the date the person is called to active duty and only for a municipal or county pay period that began on or after September 1, 2002.

The bill would take effect immediately if it receives a two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

Local Government Impact

The Harris County human resources office states that the county already pays an active reservist the difference between their military duty pay and their usual salary as a county employee; therefore, implementation of the bill would have no fiscal impact.

The City of Houston reports having 198 city employees in the military reserves and about one-third of those (66) are on active duty. The average salary of city employees is \$36,578. If those 66 employees were to exhaust their military leave and if the city were to continue to pay the full salary to those reservists on active duty, the city would be paying \$2.45 million in salaries annually to active duty military reservists. If the city does not hire temporary staff to handle the work responsibilities of those on active duty, the salary costs are not in addition to what would be incurred if the reservists were not on active duty. If temporary employees are used in the interim, the city would have the additional costs associated with the fees for temporary services.

Similarly, the City of Waco has 32 employees who are military reservists, and the average salary of those 32 employees is approximately \$14,600 annually. If all 32 were to be called to active duty and exhaust their military leave, and if the city were to pay the full salary to all 32, the cost would be approximately \$467,200 annually.

The fiscal impact would vary by municipality and county based on the number of military reservists called to active duty, for what length of time they serve, whether they exhaust all of their military leave, and what salary amount is set for the period while the reservists are on active duty. Because the salaries would already be a cost to the local government were the employee not on military leave, there would be no new cost. If, however, staff was hired to fill in on a temporary basis, those costs above the salaries for the reservists would be an additional cost to the entity.

Source Agencies:

LBB Staff: JK, JO, WK, DLBa, JB