

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Warren Chisum, Chair, House Committee on Appropriations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3334 by Frost (Relating to the amount of hazardous duty pay for certain state employees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3334, As Introduced: a negative impact of (\$77,631,725) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$38,242,229)
2009	(\$39,389,496)
2010	(\$40,571,181)
2011	(\$41,788,316)
2012	(\$43,041,965)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>GR DEDICATED</i> <i>ACCOUNTS</i> 994	Probable (Cost) from <i>FEDERAL FUNDS</i> 555	Probable (Cost) from <i>STATE HIGHWAY</i> <i>FUND</i> 6
2008	(\$38,242,229)	(\$458,391)	(\$141,672)	(\$3,308,909)
2009	(\$39,389,496)	(\$472,143)	(\$145,922)	(\$3,408,176)
2010	(\$40,571,181)	(\$486,307)	(\$150,300)	(\$3,510,421)
2011	(\$41,788,316)	(\$500,896)	(\$154,809)	(\$3,615,734)
2012	(\$43,041,965)	(\$515,923)	(\$159,453)	(\$3,724,206)

Fiscal Analysis

The bill would increase hazardous duty pay for eligible state employees with 5 or more years of service. The increase, in dollars per month per year of service, would be \$5 for those with 5-9 years of service, \$10 for those with 10-14 years of service, and \$15 for those with 15 or more years of service. Costs to the state would instead be absorbed by agencies if no appropriations were made.

Methodology

The cost for each year of service was estimated based on the number of currently eligible employees and summed to get \$36.4 million. This amount was then increased 3 percent per year based on past annual increases in tenure for hazardous duty employees. Estimated additional benefit costs are 15.8

percent. Salary for hazardous duty eligible employees is approximately 91 percent from General Revenue, about 8 percent from Fund 6, with the remaining amounts from Federal Funds and GR Dedicated accounts.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 327 Employees Retirement System

LBB Staff: JOB, CT, WM