

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 27, 2009

TO: Honorable Frank Corte Jr., Chair, House Committee on Defense & Veterans' Affairs

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

IN RE: SB1408 by Shapleigh (Relating to compensation and employment benefits for members of the Texas State Guard called to state active duty.), **As Engrossed**

The probable impact of the bill cannot be determined due to the unavailability of information related to the number of times state active Texas State Guard members duty would exceed 45 consecutive days, therefore the amount of pay to Texas State Guard members on state active duty cannot be determined.

The bill would amend the Government Code by making a member of the Texas State Guard called to state active duty a temporary state employee while on state active duty. The bill would require the Adjutant General's Department (AGD) to pay Texas State Guard members called to state active duty, according to the General Appropriations Act. The bill would also require that if the length of state active duty exceeds 45 consecutive days, the AGD would be required to pay the Texas State Guard members called to state active duty up to 140 percent of the amount authorized in the General Appropriations Act.

According to the AGD, members who are on state active duty are not treated as classified state employees; they are treated as employees, only for the purpose of reporting to the Internal Revenue Service.

To estimate the increased pay when the state active duty exceeds 45 days, the AGD makes the assumption that the increase of 140 percent is based on the current rate of pay of \$121 per day. Based on this assumption, there would be an increase of \$48 per day. According to the AGD, for example, the number of days paid to the Texas State Guard during Hurricane Ike was 8,724. Fifty percent of the days paid is 4,362 multiplied by \$48 per day, resulting in an estimated increase of \$209,376 for the total cost of the mission. If the disaster was declared a federal disaster, it is probable that approximately 75 percent of the \$209,376 would be reimbursable, costing \$52,344 in General Revenue Funds. However, the fiscal impact of the bill would depend on the future number of events requiring members to exceed state active duty for 45 consecutive days.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 401 Adjutant General's Department

LBB Staff: JOB, KK, GG, SDO