

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 8, 2013

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1828 by Gonzalez, Naomi (Relating to hazardous duty pay for certain employees working at state supported living centers and state hospitals.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1828, As Introduced: a negative impact of (\$1,386,132) through the biennium ending August 31, 2015.

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
2014	(\$693,066)
2015	(\$693,066)
2016	(\$693,066)
2017	(\$693,066)
2018	(\$693,066)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>GR Certified As Match For Medicaid</i> 8032	Probable Savings/(Cost) from <i>Federal Funds</i> 555
2014	(\$441,534)	(\$251,532)	(\$358,041)
2015	(\$441,534)	(\$251,532)	(\$358,041)
2016	(\$441,534)	(\$251,532)	(\$358,041)
2017	(\$441,534)	(\$251,532)	(\$358,041)
2018	(\$441,534)	(\$251,532)	(\$358,041)

Fiscal Analysis

The bill would amend Chapter 659 of the Government Code to add an employee of a state supported living center (SSLC) or a state hospital, who is in direct contact with patients more than

50 percent of the employee's time working in the facility, to the list of state employees eligible to receive hazardous duty pay.

Methodology

Chapter 659, Government Code, provides for hazardous duty pay in the amount of \$10 per month for each 12-month period of lifetime service credit (with 12 months of service credit required prior to the receipt of hazardous duty pay), for certain eligible employees. It also provides for longevity pay in the amount of \$20 per month for each 24-month period of lifetime service credit (with 24 months of service credit required prior to the receipt of longevity pay). Per Section 659.046(f), an employee's service credit used for the purpose of calculating longevity pay must exclude the period served in a hazard duty position.

Based on existing statutory requirements pertaining to hazardous duty pay and longevity pay, this analysis assumes most of the additional costs for hazardous duty pay under the bill would be offset by lower longevity pay costs. The net costs would be accrued as a result of having to pay additional hazardous duty pay when an employee's service reaches an odd number of years - at 1 year, 3 years, 5 years, etc. When an employee's service reaches an even number of years, longevity would have increased, cancelling out the cost of the additional hazardous duty pay.

The Legislative Budget Board assumes that annually, 55 percent of eligible employees would receive additional annual payments of \$120 under the bill, which result in a cost. The Department of State Health Services estimates that 5,458.7 employees would be eligible for hazardous duty pay. The annual General Revenue Fund cost is estimated to be \$411,253 in General Revenue funds, which includes \$360,274 in additional wages and \$50,979 in retirement and Social Security costs. It is assumed 8,493 full-time equivalents at SSLCs operated by the Department of Aging and Disability Services would receive hazardous duty pay, at an annual All Funds cost of \$639,854 (\$281,813 in General Revenue funds), which includes \$560,538 in additional wages and \$79,316 in retirement and Social Security costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 537 State Health Services, Department of, 539 Aging and Disability Services, Department of

LBB Staff: UP, CL, MB, LL, VJC