

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 15, 2015**

**TO:** Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1094** by Geren (Relating to certain death benefits for survivors of certain law enforcement officers, firefighters, and others killed in the line of duty.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1094, As Engrossed: a negative impact of (\$6,686,663) through the biennium ending August 31, 2017.

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
2016	(\$3,312,221)
2017	(\$3,374,442)
2018	(\$3,436,664)
2019	(\$3,498,885)
2020	(\$3,561,106)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Crime Victims Comp Acct</i> 469
2016	(\$3,312,221)	(\$1,500,000)
2017	(\$3,374,442)	(\$1,500,000)
2018	(\$3,436,664)	(\$1,500,000)
2019	(\$3,498,885)	(\$1,500,000)
2020	(\$3,561,106)	(\$1,500,000)

## **Fiscal Analysis**

The bill would amend Government Code relating to certain death benefits for survivors of certain law enforcement officers, firefighters, and others killed in the line of duty.

The bill would take effect September 1, 2015, and would apply to the deaths of certain public servants that occur on or after the effective date.

## **Methodology**

Based on LBB analysis using certain assumptions from ERS, the total cost related to implementing the provisions of the bill would be \$4,812,221 in FY 2016, increasing slightly over time for a total cost of \$24,683,318 in All Funds (\$17,183,318 from General Revenue and \$7,500,000 from the Crime Victims Compensation Account No. 469) over five years.

For the increase of \$250,000 for the lump sum payment, it is assumed that new claims would remain constant at 19 each year (13 out of General Revenue and six out of Crime Victims Compensation Account No. 469), resulting in an increased annual payout of \$4,750,000 in All Funds each fiscal year in the 2016-17 biennium.

For the increase of the payments to guardians, it is assumed that that an additional 18 guardians would be added each year at the new rate, and the number at the old rate will decline by the same number, with the total annual number of claimants remaining constant at 112. Using ERS' blended rate, which increases the ratio of guardians under the new rate by approximately 16.1 percent in each year, the provisions of the bill would increase the annual payments from the estimated current annual payment of \$386,990, by \$62,221 in fiscal year 2016 and by \$124,442 in fiscal year 2017.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System

**LBB Staff:** UP, CL, EP, ER, KVe, AG, EMo, KFa, EK