

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 19, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2631 by Rose (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 HB2631, As Introduced: a negative impact of (\$1,454,279) 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	(\$726,381)
2017	(\$727,898)
2018	(\$727,898)
2019	(\$727,898)
2020	(\$727,898)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Certified As Match For Medicaid 8032	Probable Savings/(Cost) from Federal Funds 555
2016	(\$417,369)	(\$309,012)	(\$413,148)
2017	(\$417,369)	(\$310,529)	(\$411,631)
2018	(\$417,369)	(\$310,529)	(\$411,631)
2019	(\$417,369)	(\$310,529)	(\$411,631)
2020	(\$417,369)	(\$310,529)	(\$411,631)

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 (DSHS) estimates that 5,020 employees would be eligible for hazardous duty pay. The DSHS cost each fiscal year is estimated to be \$381,515 in General Revenue funds, which includes \$331,320 in additional wages and \$50,195 in retirement and Social Security costs. The Department of Aging and Disability Services (DADS) estimates that 9,974 employees at SSLCs operated by DADS would receive hazardous duty pay, at an All Funds cost of \$758,014 each fiscal year (including \$344,866 in General Revenue funds for fiscal year 2016 and \$346,383 in General Revenue funds for fiscal year 2017 through fiscal year 2020), which includes \$658,284 in additional wages and \$99,730 in retirement and Social Security costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 537 State Health Services, Department of, 539 Aging and Disability Services, Department of

LBB Staff: UP, NB, WP, SS, MB, EMO, CL, VJC