

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 3, 2017

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1932 by Rose (Relating to compensation received by state employees working in certain high injury risk positions.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1932, As Introduced: a negative impact of (\$1,129,178) through the biennium ending August 31, 2019.

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
2018	(\$564,589)
2019	(\$564,589)
2020	(\$564,589)
2021	(\$564,589)
2022	(\$564,589)

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
2018	(\$267,866)	(\$296,723)	(\$362,662)
2019	(\$267,866)	(\$296,723)	(\$362,662)
2020	(\$267,866)	(\$296,723)	(\$362,662)
2021	(\$267,866)	(\$296,723)	(\$362,662)
2022	(\$267,866)	(\$296,723)	(\$362,662)

Fiscal Analysis

The bill would amend Education and Government Codes relating to compensation received by state employees working in certain high injury risk positions. The bill would extend the definition

of state employees who are eligible to receive high injury risk pay to employees of state supported living centers or state hospitals who are in direct contact with patients more than fifty percent of the employee's time. The bill would also change the existing statutory terminology of "hazardous duty pay" to "high injury risk pay."

The bill would take effect September 1, 2017.

Methodology

Chapter 659, Government Code, provides for high injury risk 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 high risk injury 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 high injury risk position.

Based on existing statutory requirements pertaining to high injury risk pay and longevity pay, this analysis assumes most of the additional costs for high injury risk 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 Health and Human Services Commission indicates that there are approximately 15,000 employees at State Supported Living Centers and State Hospitals. This analysis assumes that approximately high risk injury pay to 6,200 employees with less than two years of service would affect the costs to the state.

The estimated cost in the tables above assume that affected employees would receive high injury risk pay in addition to maximum security risk pay, and that salary growth would be offset by attrition. The amounts also include calculations for the Quality Assurance Fee and state contributions to Retirement and Social Security. Due to turnover and the relatively small impact of the new high injury risk pay, this analysis does not account for increased annuity payments to retirees.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 327 Employees Retirement System, 529 Health and Human Services Commission, 537 State Health Services, Department of

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