

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5979-01
Bill No.: HB 2283
Subject: Department of Corrections; Law Enforcement Officers and Agencies
Type: Original
Date: February 3, 2016

Bill Summary: This proposal requires certain employees of the Department of Corrections to receive hazardous duty pay.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| General Revenue | (\$3,353,742) | (\$10,061,227) | (\$13,414,970) |
| Total Estimated Net Effect on General Revenue | (\$3,353,742) | (\$10,061,227) | (\$13,414,970) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------|-------------------|-------------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| Inmate Revolving | (\$9,266) | (\$27,797) | (\$37,062) |
| Total Estimated Net Effect on <u>Other</u> State Funds | (\$9,266) | (\$27,797) | (\$37,062) |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** state this proposal would result in additional costs of \$13.4 million to the General Revenue Fund (GR) and \$37,062 to the Inmate Revolving Fund (IRF) when fully implemented. The projections are described in the calculations below:

| Job Class | FY 16 Final GR | FY 16 GR FTE | FY 16 Final IRF | FY 16 IRF FTE |
|--|------------------------|-----------------|-------------------------|------------------|
| Corrections Officer I | \$149,204,699 | 4,718.91 | \$152,247 | 4.00 |
| Corrections Officer II | \$21,565,282 | 631.00 | \$0 | 0.00 |
| Corrections Officer III | \$7,871,283 | 206.00 | \$0 | 0.00 |
| Corr. Supervisor I | \$4,513,812 | 107.00 | \$0 | 0.00 |
| Corr. Supervisor II | \$1,135,398 | 23.00 | \$0 | 0.00 |
| Prob. & Parole Asst. I | \$6,404,533 | 203.18 | \$376,652 | 10.20 |
| Prob. & Parole Asst. II | <u>\$1,577,144</u> | <u>47.00</u> | <u>\$96,915</u> | <u>2.20</u> |
| | | | | |
| TOTAL | \$19,227,251 | 5,936.09 | \$625,814 | 16.40 |
| | | | | |
| HAZARDOUS DUTY PAY: | General Revenue | | Inmate Revolving | |
| FY '17 (6 months) at \$75 / month / FTE | \$2,671,241 | | \$7,380 | |
| | | | | |
| FY '18 (6 months) at \$75/ month / FTE | \$2,671,241 | | \$7,380 | |
| FY '18 (6 months) at \$150 / month / FTE | \$5,342,481 | | \$14,380 | |
| TOTAL FY 2018 | \$8,013,722 | | \$21,760 | |
| | | | | |
| FY '19 (12 months) at \$150/ month / FTE | \$10,684,962 | | \$29,520 | |
| | | | | |
| | | | | |
| FRINGE BENEFITS: (@ 25.55%) | | | | |
| FY '17 | \$682,502 | | \$1,886 | |
| FY '18 | \$2,047,506 | | \$5,657 | |
| FY '19 | \$2,730,008 | | \$7,542 | |
| | | | | |
| | | | | |

ASSUMPTION (continued)

Officials from the **Office of Administration** state their Division of Personnel is responsible for implementing a classification and pay system uniformly applied to each agency covered under the UCP system. This legislation provides that all employees in classes listed in Section 217.112 3. shall receive pay differentials.

Currently approved pay differentials are not paid to every employee holding a position in a particular job class. Some of the current differentials include payment for DOC Emergency Response Team members, physicians that have received certain specialty certifications, psychologists that are board certified, employees that work in specified high security areas, employees that work specific shifts, etc. All of these situations involve special pay differentials being granted only to employees that meet certain established criteria. This legislation appears to use a different approach, to apply pay differentials to every employee in the enumerated job classes. Generally, when a determination is made that particular job class is not on a high enough pay range, the job class is repositioned to a higher UCP pay range.

For establishing specific costs estimates, the Division of Personnel defers to the Department of Corrections.

| <u>FISCAL IMPACT - State Government</u> | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
|---|-----------------------------|------------------------------|------------------------------|
| GENERAL REVENUE | | | |
| <u>Costs - DOC - Hazardous Duty Pay:</u> | | | |
| 'Personal Service - additional \$75 per month for 2017 and additional \$150 per month starting 2018 | (\$2,671,241) | (\$8,013,722) | (\$10,684,962) |
| Fringe Benefits | (\$682,502) | (\$2,047,506) | (\$2,730,008) |
| <u>Total Costs - DOC</u> | (\$3,353,742) | (\$10,061,227) | (\$13,414,970) |
| ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND | <u>(\$3,353,742)</u> | <u>(\$10,061,227)</u> | <u>(\$13,414,970)</u> |

| <u>FISCAL IMPACT - State Government</u> (continued) | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
|--|-------------------------|--------------------------|--------------------------|
| INMATE REVOLVING FUND | | | |
| <u>Costs - DOC - Hazardous Duty Pay:</u> | | | |
| Personal Service - additional \$75 per month for 2017 and additional \$150 per month starting 2018 | (\$7,380) | (\$22,140) | (\$29,520) |
| Fringe Benefits | <u>(\$1,886)</u> | <u>(\$5,657)</u> | <u>(\$7,542)</u> |
| <u>Total Costs - DOC</u> | <u>(\$9,266)</u> | <u>(\$27,797)</u> | <u>(\$37,062)</u> |
| ESTIMATED NET EFFECT TO THE INMATE REVOLVING FUND | <u>(\$9,266)</u> | <u>(\$27,797)</u> | <u>(\$37,062)</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

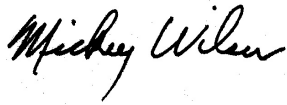
This bill requires, beginning January 1, 2017, all corrections custody officers, as defined in the bill, to receive, in addition to their regular pay, \$75 per month for hazardous duty compensation. This bill further requires, beginning January 1, 2018, all corrections officers to receive, in addition to their regular pay, a second installment of \$75 per month for hazardous duty compensation, for a total of \$150 per month for hazardous duty compensation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 5979-01
Bill No. HB 2283
Page 6 of 6
February 3, 2016

SOURCES OF INFORMATION

Department of Corrections
Office of Administration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA
Director
February 3, 2016

Ross Strobe
Assistant Director
February 3, 2016