

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1504-05
Bill No.: SCS for HCS for HB 551
Subject: Emergencies; Fire Protection; Law Enforcement Officers and Agencies; Medical Procedures and Personnel; Worker's Compensation
Type: Original
Date: April 27, 2007

Bill Summary: This proposal provides additional benefits for public safety workers killed in the line of duty.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$120,000)	(\$880,898)	(\$1,611,747)
Total Estimated Net Effect on General Revenue Fund	(\$120,000)	(\$880,898)	(\$1,611,747)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Line of Duty Compensation*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Transfers-In, payments and expenses assumed to net to zero.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Line of Duty Compensation	0 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	0 FTE	1 FTE	1 FTE

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume this proposal will not fiscally impact the courts.

Officials from the **Department of Corrections, Department of Conservation, Department of Public Safety - Director's Office, Capitol Police, Fire Safety**, and the **Water Patrol** as well as the **Department of Health and Senior Services** and the **Office of the State Treasurer** each assume the proposal will not fiscally impact their respective agencies.

Officials from the Office of the **Attorney General (AGO)** assumes that costs could be absorbed. There is no provision for the AGO to conduct any investigations or review of claims as in prior versions. Therefore, costs can be absorbed.

Officials from the **Department of Public Safety - Highway Patrol** state the first trooper who died in the line of duty was in 1933. To date, there have been 27 total, 10 of those occurring since 1996. Something like this is impossible to predict, but if the Patrol were to take the average of the past 10 years, there has been approximately one trooper per year who died in the line of duty.

Based solely on that average, the cost of this legislation would be approximately \$110,000 per year, paid for from the "Line of Duty Compensation Fund" created under section 287.245. For the purposes of this fiscal note, this would be our estimate for future years as well.

Officials from the **Department of Natural Resources (DNR)**, state that currently, their Division of State Parks has 47 full-time rangers and 2 commissioned facility managers who could be affected by this proposal. The actual fiscal impact would be unknown, as this would depend on the number of law enforcement officers killed in the line of duty.

This proposal would create a "Line of Duty Compensation Fund" (Fund). Monies transferred to the Fund would be made from General Revenue and appropriated solely for the purpose outlined in this proposal.

Since this proposal does not appear to require the division to pay the insurance premiums associated with the proposed death benefits, the department would not anticipate a direct fiscal impact to the department.

ASSUMPTION (continued)

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state the legislation requires compensation of a \$100,000 benefit paid in the case of an emergency medical technician, firefighter, paramedic, police officer, corrections officer or juvenile justice officer killed in the line of duty as defined in the bill. The bill also authorizes a burial benefit of up to \$10,000. Payment of the benefit is made by the Division of Workers' Compensation from General Revenue Funds that are subject to appropriations for that purpose. A search of the Division's computer system shows that over the four year period 2002 to 2005 there was an average of 14 deaths of the occupations Emergency Medical Technician, Firefighter, Law enforcement officer, Paramedic, Volunteer firefighter and correctional officer. The Division is unable to determine through its injury and fatality coding system whether any deaths for the occupations supervisors, wardens, superintendents, youth supervisors, parole agents, school teachers and correctional counselors occurred in the line of duty as defined in the bill. This number also does not include any deaths where the occupation may have been coded in error when reported to the Division, but that may be eligible for the benefit provided for in the bill. For 14 deaths, the total compensation paid would be \$1,400,000. In addition, if the burial benefit paid equaled \$10,000 for each case, that would be an additional \$140,000 for a total of \$1,540,000 paid from general revenue. Since it is possible there may be additional deaths eligible for the benefit because of miscoding of the occupation, or the occupation not clearly identifiable in the Division's computer system, the total benefits paid annually could be higher.

The Division also believes that there will be a substantial amount of legal inquiries and issues that will arise as a result of this legislation and therefore is requesting one attorney. In addition, the Division will be required to process claims for benefits under this proposal, monitor claims and process payments. Therefore the Division is requesting one Work Comp Tech II to handle all claims responsibilities.

Additionally, the Division would have to make changes in its computer system to track cases where the benefit was claimed and paid. The cost of these computer changes is unknown.

In summary, DOLIR assumes a cost for the two FTE of roughly \$110,000 annually from the General Revenue Fund.

Oversight will assume DOLIR will require the additional attorney as requested. However, Oversight assumes DOLIR will be able to absorb the additional claim responsibilities (estimated to be 14 claims per year) and will not require the additional Work Comp Tech II FTE. Per subsection 287.245.3, 'all compensation paid under sections 287.243 and 287.245 and all appropriations for administration of sections 287.243 and 287.245 shall be made from the line of duty compensation fund', therefore, Oversight will reflect costs and payments coming out of the

ASSUMPTION (continued)

new fund, with a funding transfer from the General Revenue Fund.

In response to SB 712 from 2004, the Office of Administration stated that an average of six public safety officers die in the line of duty each year. Obviously, this number could be higher or lower than the actual number each year. **Oversight** utilized this estimate for the fiscal note for the original bill (1504-01); however, Oversight assumes DOLIR has provided a more comprehensive and accurate estimate of the number of public safety workers (not just public safety officers as utilized for the original bill fiscal note) who have died in the line of duty. Therefore, Oversight will use DOLIR's estimate and will also use DOLIR's assumption that the funds will be paid from the Worker's Compensation Fund.

The death benefits would be paid for deaths after January 1, 2009, therefore, **Oversight** will assume 7 deaths in FY 2009 (for one-half of a fiscal year). Oversight will also assume DOLIR will not fill the FTE position until January 1, 2009, and therefore will only show 6 months of expense in FY 2009.

Oversight assumes the burial benefits of \$10,000 will be effective August 28, 2007, and therefore will assume 12 deaths (14 x 10/12) in FY 2008.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Transfer Out- to the Line of Duty Compensation Fund</u>	<u>(\$120,000)</u>	<u>(\$880,898)</u>	<u>(\$1,611,747)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$120,000)</u>	<u>(\$880,898)</u>	<u>(\$1,611,747)</u>

LINE OF DUTY COMPENSATION

<u>Transfer In</u> - From General Revenue	\$120,000	\$880,898	\$1,611,747
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Costs - DOLIR

Personal Service	\$0	(\$23,871)	(\$49,173)
Fringe Benefits	\$0	(\$10,804)	(\$22,256)
Expense and Equipment	\$0	(\$6,223)	(\$318)
<u>Total Costs</u> - DOLIR	\$0	(\$40,898)	(\$71,747)
FTE Change DOLIR	0 FTE	1 FTE	1 FTE

<u>Costs</u> - death benefits for public safety workers killed in the line of duty (287.243.3)	\$0	(\$700,000)	(\$1,400,000)
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<u>Costs</u> - burial benefits for public safety workers killed in the line of duty (287.995.6)	<u>(\$120,000)</u>	<u>(\$140,000)</u>	<u>(\$140,000)</u>
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ESTIMATED NET EFFECT TO THE LINE OF DUTY COMPENSATION FUND

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change for Line of Duty Compensation Fund	0 FTE	1 FTE	1 FTE

FISCAL IMPACT - Local Government	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

RS:LR:OD (12/02)

FISCAL DESCRIPTION

This act creates the Line of Duty Compensation Act which provides additional workers' compensation benefits in the amount of \$100,000 for firefighters, law enforcement, emergency medical technicians, paramedics, aviation medical crew members, department of corrections employees, and juvenile justice employees who are killed in the line of duty.

For coverage to apply, the death must occur within one year of an injury received in the course of duty of the respective profession, and must be caused by violence or accident. Those subject to death arising out of willful misconduct or intoxication are excluded from coverage.

Specific instances of coverage for law enforcement, firefighters, emergency medical technicians, aviation medical crew members, and paramedics are enumerated including death sustained when traveling to and from employment, and certain off-duty activities.

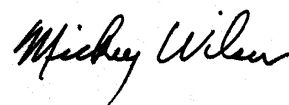
Burial benefits of up to \$10,000 shall be awarded to the surviving spouse, dependents, or estates of those killed in the line of duty.

All payments under the act will be paid out of the newly formed Line of Duty Compensation Fund.

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

SOURCES OF INFORMATION

Department of Public Safety
Office of the Attorney General
Department of Corrections
Department of Labor and Industrial Relations
Office of the State Courts Administrator
Department of Health and Senior Services
Department of Conservation
Department of Natural Resources
Office of the State Treasurer



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