

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1504-02
Bill No.: Perfected HCS for HB 551
Subject: Law Enforcement Officers and Agencies; Public Safety Department
Type: Original
Date: April 3, 2007

Bill Summary: This proposal authorizes compensation to be paid on behalf of public safety workers who are 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	\$0	(Under \$100,000)	(Under \$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0	(Under \$100,000)	(Under \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Workers Compensation Fund	(\$120,000)	(\$880,898)	(\$1,611,747)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$120,000)	(\$880,898)	(\$1,611,747)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 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
Workers Compensation Fund	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 **Department of Conservation (MDC)** assume the proposal would have no impact on MDC funds.

Officials from the Department of Health and Senior Services, **Department of Corrections, Department of Public Safety - Director's Office, Capitol Police, Fire Safety, Water Patrol** and **Alcohol and Tobacco Control** each assume the proposal would not fiscally impact their respective agencies

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

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** 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 have been approximately \$110,000 per year, presumably from General Revenue funds. For the purposes of this fiscal note, that would be our estimate for future years as well.

Officials from the **Department of Natural Resources (DNR)** state this proposal would establish the Line of Duty Compensation Act. This Act would allow a person designated by a law enforcement officer, emergency medical technician, paramedic, or firefighter killed in the line of duty to file a claim for compensation with the Division of Workers' Compensation within one year of the date of death. This proposal would also provide a burial benefit of up to \$10,000, payable to the surviving spouse or estate of the public safety worker killed in the line of duty.

Currently, the Department of Natural Resources - 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. The Division's maximum potential liability would be \$5,390,000 ($\$100,000 * 49 + \$10,000 * 49$) as a result of this bill in any given year.

ASSUMPTION (continued)

Officials from the **Office of the Attorney General (AGO)** assume the need for ½ investigator to handle the investigations required to be conducted under this proposal. Depending on the number of investigations required in a particular year and the amount of time for each investigation which may vary from case to case, the Attorney General may seek additional appropriations to handle the investigative requirements of this legislation. The AGO

Oversight will assume a potential cost to the General Revenue Fund for investigative and/or litigation expenses of the AGO of under \$100,000 per year, starting January 1, 2009, or 6 months of FY 2009.

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 subject to appropriations for that purpose. While the bill does not identify the source of the funds used to pay the benefit, DOLIR assumes the money will come from the Workers' Compensation Administrative Fund. 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. DOLIR 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 fourteen 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 the workers' compensation administrative fund if that fund is the source of the benefit payments. 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 1 Staff Attorney at a cost of \$62,997 for FY 2008, \$75,572 for FY 2009 and \$77,839 for FY 2010.

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

ASSUMPTION (continued)

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>Costs - Office of the Attorney General</u>			
Potential investigation and litigation expenses	<u>\$0</u>	(Under <u>\$100,000</u>)	(Under <u>\$100,000</u>)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	(Under <u>\$100,000</u>)	(Under <u>\$100,000</u>)

WORKERS COMPENSATION FUND

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

<u>Costs</u> - death benefits for public safety workers killed in the line of duty (287.995.3)	\$0	(\$700,000)	(\$1,400,000)
<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>
ESTIMATED NET EFFECT TO THE WORKERS COMPENSATION FUND	<u>(\$120,000)</u>	<u>(\$880,898)</u>	<u>(\$1,611,747)</u>
Estimated Net FTE Change for Workers Compensation Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	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.

FISCAL DESCRIPTION

This proposal establishes the Line of Duty Compensation Act which allows a person designated by a law enforcement officer, emergency medical technician, aviation medical crewmember, paramedic, or firefighter to file a claim for compensation with the Division of Workers' Compensation in the Department of Labor and Industrial Relations within one year of the death of the law enforcement officer, emergency medical technician, paramedic, or firefighter if the person is killed in the line of duty. The amount of compensation for the claim will be \$100,000, subject to appropriation, for deaths occurring on or after January 1, 2009. A burial benefit of up to \$10,000 will also be payable to the surviving spouse or the estate of a law enforcement officer or firefighter who is killed in the line of duty.

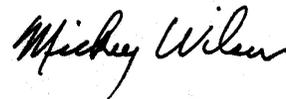
FISCAL DESCRIPTION (continued)

The provisions of the bill will expire six years from the effective date.

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



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Director
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