

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5797-01
Bill No.: SB 826
Subject: Corrections Department
Type: Original
Date: March 12, 2014

Bill Summary: This proposal provides that corrections officers are to receive hazardous duty pay in addition to their regular pay.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$2,561,360)	(\$7,684,079)	(\$10,245,438)
Total Estimated Net Effect on General Revenue Fund	(\$2,561,360)	(\$7,684,079)	(\$10,245,438)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** state this legislation will have significant fiscal impact on the Department. By FY17, this proposal will cost the Department over \$10 million.

DOC states there are 5,691.91 FTE corrections custody officers in their FY 2014 budget.

FY 2015 impact:	5,691.91 x \$75 per month x 6 months	= \$2,561,360
FY 2016 impact	5,691.91 x \$75 per month x 6 months	
plus	5,691.91 x \$150 per month x 6 months	= \$7,684,079
FY 2017 impact	5,691.91 x \$150 per month x 12 months	= \$10,245,438

Each additional year's costs would be \$10,245,438 if the FTE number remains constant.

In summary, DOC assumes the proposal would be a cost to the General Revenue Fund of \$2,561,360 to Unknown in FY 2015, \$7,684,079 to Unknown in FY 2016, and \$10,245,438 to Unknown in FY 2017

Officials from the **Office of Administration - Personnel Division** state they are responsible for implementing a classification and pay system uniformly applied to each agency covered under the UCP system. Section 217.112 in SB 826 provides that all employees in classes listed in Section 217.112.3 shall receive a \$175/monthly pay differential.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Costs - Department of Corrections - hazardous duty compensation to corrections custody officers</u>	<u>(\$2,561,360)</u>	<u>(\$7,684,079)</u>	<u>(\$10,245,438)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$2,561,360)</u>	<u>(\$7,684,079)</u>	<u>(\$10,245,438)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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

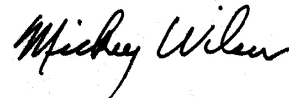
This proposal provides that, beginning January 1, 2015, corrections officers must receive, in addition to their regular pay, \$75 per month for hazardous duty pay.

Beginning January 1, 2016, corrections officers must receive, in addition to their regular pay, \$150 per month for hazardous duty pay.

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

Office of Administration
Department of Corrections



Mickey Wilson, CPA
Director
March 12, 2014

Ross Strope

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Assistant Director
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