

FISCAL NOTE

April 9, 2019

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|-----------------|--------|----------------------|-----|-----------------|-----------|
| Bill No: | SB 439 | Printer's No: | 427 | Sponsor: | Regan (R) |
|-----------------|--------|----------------------|-----|-----------------|-----------|

| Fund (s) | 2018-19 | 2019-20 |
|--------------|-----------|-----------|
| General Fund | \$800,000 | \$800,000 |

COST / (SAVINGS)

SUMMARY: This bill amends the Enforcement Officers Disability Benefits Law to extend coverage to DCNR park rangers, campus police, Fort Indiantown Gap police, Office of Inspector General special investigators, commissioned police officers with the Department of Correction's Bureau of Investigations and Intelligence, Allegheny County Port Authority police, and Allegheny County Housing Authority police.

ANALYSIS: SB 439 extends coverage under the Enforcement Officers Disability Benefits Law (commonly referred to as the "Heart and Lung Act") to various new classes of employees: DCNR park rangers, campus police officers on state-owned and state-aided University campuses, Fort Indiantown Gap police, Office of Inspector General special investigators, commissioned police officers with the Department of Correction's Bureau of Investigations and Intelligence, County correction officers and jail guards, County probation officers, and police from the Allegheny County Port Authority and the Allegheny County Housing Authority.

Currently, these employees may receive workmen's compensation benefits totaling 2/3rds of their full salary. Heart and Lung benefits, however, are equal to the full salary these employees earn. The existing workmen's compensation insurance policies will continue to pay out 2/3rds of the full salary amount for these newly-eligible employees. Their employer (Allegheny County Port Authority, Office of Inspector General) will then be responsible for making up the remaining 1/3 of their total salary. SB 439 is effective 60 days after passage.

FISCAL IMPACT: SB 439 stipulates that the employers of the workers who are now eligible for Heart and Lung benefits under this law will be responsible for covering the increased costs for paying these benefits for these employees. Data from 2017 indicates that Heart and Lung benefits cost an average of \$778 per eligible employee. The table below breaks down the total annual costs resulting from implementing SB 439 for the agencies who receive appropriations from the General Fund:

| Employer | Cost |
|------------------|------------|
| Higher Education | \$ 642,475 |
| Corrections | \$ 11,670 |
| DCNR | \$ 108,894 |
| DMVA | \$ 7,778 |

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| Office of Inspector General | \$ 23,334 |
| Total: | \$ 794,151 |

In addition to the numerous impacted state agencies, Counties are able to opt in to providing these benefits to County correctionns officers, County jail guards, and County probation officers by providing written notice to the Department of Labor and Industry. They will incur the costs of doing so.

HB 427 also extends Heart and Lung benefits to Allegheny County Port Authority and Allegheny County Housing Authority police officers. The following table displays the costs the Allegheny Port Authority and the Allegheny Housing Authority will incur as a result:

| Employer | Cost |
|------------------------------------|-----------------|
| Allegheny County Housing Authority | \$ 6,223 |
| Allegheny County Port Authority | \$35,002 |
| Total: | \$41,225 |