



State Fiscal Note for Bill Number: 2021-H-6010

Date of State Budget Office Approval: Tuesday, June 15, 2021

Date Requested: Monday, March 8, 2021

Date Due: Thursday, March 18, 2021

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2021	N/A	FY 2021	N/A
FY 2022	\$622,700 - \$3,590,600	FY 2022	N/A
FY 2023	\$1,245,400 - \$7,181,20	FY 2023	N/A

**Explanation by State
Budget Office:**

The proposed amendment would make police officers and firefighters diagnosed with post-traumatic stress disorder (PTSD) eligible for benefits under Rhode Island's Injured on Duty (IOD) benefits. These benefits may include salary, medical care costs not covered by insurance, and accidental disability retirement allowance. While current statute allows for benefits to be awarded in the event an individual is mentally incapacitated from further service due to injury or illness sustained on duty, it does not explicitly address PTSD – leaving its treatment subject to interpretation in a particular case. Creating explicit, universal eligibility for this condition is likely to effect a fiscal impact to the State and municipalities. This analysis focuses on the fiscal impacts incurred by the State. However, the amendment would also apply to municipalities, which are responsible for paying benefits claimed by their employees.

**Comments on
Sources of Funds:**

At the State level, IOD benefits and accidental disability retirement allowances obligated as a result of this amendment would be paid from general revenues.

**Summary of Facts
and Assumptions:**

The benefits conferred by this bill on public safety personnel diagnosed with PTSD include both standard IOD benefits (salary and medical care costs) for those temporarily out of work and accidental disability retirement pension benefits for those permanently unable to return to duty. The Budget Office assumes that IOD benefits paid because of PTSD would generally be accounted for in agency budgets, and any costs from pension benefits would not be realized until after FY 2023. This analysis assumes that the main source of potential cost to the State is from overtime needed to backfill personnel who are out on IOD. A final cost category, labor litigation costs, is also considered but assumed to be accounted for in existing budgets.

Historically, benefits for PTSD-based IOD claims have been awarded in some cases and denied in others. According to the RI Department of Public Safety's (DPS) Legal Division, there are currently no troopers out on IOD claiming PTSD. However, at least one of the four injury pensions granted since 2000 has been related to PTSD. According to the Division of Human Resources, IOD for PTSD has also been granted within both the DEM Environmental Police and the RI Division of Sheriffs in recent years.

This bill would potentially affect PTSD-related eligibility for 510 State employees eligible for IOD benefits across five agencies. This includes 150 in the Sheriffs Division, 50 Capitol Police officers, 250 RI State Police (RISP) officers, 32 RI DEM Environmental Police Officers, and 28 Quonset firefighters.

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Peer-reviewed literature suggests that the rate of duty-related PTSD in police officers is between 7% and 19% (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3974929/>). Given the number of eligible police officers in Rhode Island, this would translate to between approximately 34 and 92 individuals with PTSD. However, according to the National Institute of Mental Health (<https://www.nimh.nih.gov/health/statistics/post-traumatic-stress-disorder-ptsd.shtml>), among adults with PTSD approximately 36.6% experience severe PTSD, 33.1% experience moderate PTSD, and 30.2% experience mild PTSD. Though the text of the bill does not distinguish between mild, moderate, and severe PTSD for the purposes of eligibility, it is reasonable to expect that level of severity will be related to likelihood of filing an IOD claim. Therefore, the Budget Office estimates the number of PTSD-related IOD claims as a range, taking into account these rates and levels of severity. Assuming that individuals with severe PTSD—and many with moderate cases—have predominantly already been diagnosed and are already either on IOD or already retired on an accidental disability pension, the populations affected by this bill are presumed to be those with low and moderate levels of PTSD. The lower bounds of the ranges estimated below assume (a) 7% of officers experience PTSD and (b) only those with mild PTSD (30.2%) would choose to apply for IOD based on this legislation. The upper bound of the range assumes that (a) 19% of officers experience PTSD and (b) those with mild or moderate PTSD (63.1%) would choose to apply for IOD based on this legislation.

Rhode Island State Police: 5 – 30
Capitol Police: 1 – 6
Sheriffs: 3 – 18
RI DEM Environmental Police: 1– 4

The literature suggests that the rate of PTSD in firefighters is between 6.5% and 30% (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5825264/>). Given the number of eligible firefighters in Rhode Island, this would translate to between two and eight individuals with PTSD. Applying similar logic to that used above in calculating the range of prospective police officer claims, we derive an estimate of one to five Quonset firefighters.

In total, the number expected to potentially file PTSD-related IOD claims is between 11 and 63.

These estimates likely err a bit high. The standard daily responsibilities of Capitol Police, Sheriffs, Environmental Police, and Quonset firefighters in particular differ substantially from those of the average police officer or firefighter nationally in ways that likely result in lower rates of PTSD in these agencies by comparison. At the State Police level, historical trends detailed above indicate that the number of individuals who would be likely to file a claim for IOD benefits up to and including an accidental disability retirement allowance would be lower than the 5-30 forecasted using the Budget Office's methodology, given that only two have done so in the last two decades. However, we provide an estimate here illustrating the impact of a worst-case scenario if there were to be a significant expansion in uptake on PTSD-related IOD benefits because of this policy change.

The changes included in this bill could lead to increases in five categories of costs for the impacted agencies: (1) IOD salary benefits, (2) IOD medical care benefits, (3) backfill overtime costs, (4) accidental disability retirement allowances, and (5) labor litigation costs.

(1) IOD Salary Benefits

This analysis assumes that IOD salary benefits would be covered by current agency budgets. Though there are some differences across these agencies as to how IOD benefits are paid, generally the payment of a standard salary to an individual out on IOD does not directly impact the departmental budget because officer salaries are already budgeted. At the RISP, troopers are already entitled to unlimited sick leave with the approval of the Colonel and this is accounted for in the departmental budget. While IOD is more beneficial to officers because it is non-taxable, the impact on the Department is the same and individuals' salaries are paid regardless. Although Sheriffs, Capitol Police, RI DEM officers, and Quonset firefighters do not have unlimited sick leave, their full salaries are also generally budgeted and therefore, requiring the Department to pay IOD would not have a direct impact on their budgets.

(2) IOD Medical Care Benefits

In addition to salary payment, the statute requires direct payment of medical expenses for individuals on IOD. However, in the case of PTSD, existing insurance covers treatment for mental health, and the co-pays or other minor expenses for which the departments would be responsible are deemed to have a de minimis impact on the agency budgets. Therefore, an uptick in IOD would not impact departmental bottom lines directly. Rather, the impact would be indirect via payment of overtime to cover for the shifts typically worked by an individual out on IOD.

(3) Backfill Overtime Costs

The Budget Office assumes that, except for Quonset firefighters, all other personnel on IOD status who have to be backfilled with other agency personnel, and that these personnel who be paid overtime. As described below, this is a conservative assumption.

At the State Police, overtime costs do not generally increase as a result of troopers going out on IOD unless the RISP is at its minimum staffing level, at which point officers on IOD would require hour-for-hour coverage with overtime. Assuming that an uptick in IOD claims occurred when the agency was at its minimum staffing level, based on an average annual wage of \$97,000 per trooper, an average overtime wage of \$67 per hour, and a 42-hour work week, the impact on the RISP budget during FY 2022 could be between \$773,343 and \$4,399,717. Methodology is as follows:

$\$67/\text{hour} * 84 \text{ hours/pay period} * 26 \text{ pay periods/year} = \$146,328 \text{ in overtime coverage costs/year}$

$\$146,328 * 5 \text{ impacted officers} = \$731,640/\text{year}$

$\$146,328 * 30 \text{ impacted officers} = \$4,389,840/\text{year}$

At the Sheriffs, overtime costs are generally covered on an hour for hour basis as each courtroom must be covered each day; however, given that some officers are assigned to writ issuing/extraditions, not all overtime is necessarily covered hour for hour. However, the Budget Office's analysis assumes that Sheriffs on IOD status would require hour for hour coverage. Among Sheriffs, based on an average annual wage of \$62,746 per officer, an average overtime wage of \$45 per hour, and a 40-hour work week, the impact on the DPS budget during FY 2022 could be between \$374,400 and \$1,029,600. Methodology is as follows:

$\$45/\text{hour} * 8 \text{ hours/shift} * 5 \text{ shifts/week} * 52 \text{ weeks/year} = \$93,600 \text{ in overtime coverage costs/year}$

$\$93,600 * 3 \text{ impacted officers} = \$280,800/\text{year}$

$\$93,600 * 18 \text{ impacted officers} = \$1,684,800/\text{year}$

Likewise, at the Capitol Police, overtime costs are generally covered on an hour for hour basis as each State building must be covered each day; however, given that some officers are assigned to writ issuing/extraditions, not all overtime is necessarily covered hour for hour. That aside, the Budget Office's analysis assumes that Capitol Police on IOD status would require hour for hour coverage. Among Capitol Police, based on an average annual wage of \$57,730 per officer, an average overtime wage of \$42 per hour, and a 40-hour work week, the impact on the DPS budget during FY 2022 could be between \$87,360 and \$349,440. Methodology is as follows:

$\$42/\text{hour} * 8 \text{ hours/shift} * 5 \text{ shifts/week} * 52 \text{ weeks/year} = \$87,360 \text{ in overtime coverage costs/year}$

$\$87,360 * 1 \text{ impacted officer} = \$87,360/\text{year}$

$\$87,360 * 6 \text{ impacted officers} = \$524,160/\text{year}$

At the Department of Environmental Management Division of Law Enforcement, the type of coverage utilized for loss of hours for an officer out on IOD depends on the timing of the claim filing. Hours are generally covered through a combination of overtime and contracting with local police departments for details. While detail rates fluctuate between \$75-90 per hour, the average time and a half wage for law enforcement staff is approximately \$75 per hour. The average cost of overtime coverage for one officer for one week, per RI DEM, is \$2,800. Based on that average weekly coverage cost, the impact on the RI DEM budget during FY 2022 could be between \$145,600 and \$291,200. Methodology is as follows:

$\$2,800 \text{ in overtime coverage costs/week} * 52 \text{ weeks/year} = \$145,600 \text{ in overtime coverage}$

$\$145,600 * 1 \text{ impacted officer} = \$145,600/\text{year}$

$\$145,600 * 4 \text{ impacted officers} = \$582,400/\text{year}$

At the Quonset Firefighter unit, overtime coverage for IOD is generally not required because shifts are regularly staffed above minimum staffing levels. By law, each shift must be worked by a minimum of seven firefighters, but each shift is typically worked by at least nine. When an individual goes out on IOD or sick leave, there are generally enough staff already assigned to their shifts to meet the minimum staffing requirement without requiring additional staff to come in. Therefore, indirect costs due to overtime needs driven by this bill are not expected among State firefighters.

These estimates represent snapshots in time of the number of current personnel with each affected agency that potentially have diagnosable PTSD at any given time. However, this analysis does not assume that all of these individuals will file for IOD in the first year after the new policy is effective. Therefore, we assume a phase-in period under which half of potentially eligible personnel file for IOD in the first year (FY 2022). In FY 2023, we assume those who filed in FY 2022 are still on IOD and that the remaining half of eligible personnel file. We also do not assume that new individuals, such as new employees at the impacted agencies, come aboard and expand the cohort of individuals with a PTSD diagnosis.

In summary, the total overtime costs that could be driven by this initiative are as follows:

FY 2022:

RI State Police: \$365,820 - \$2,194,920

Capitol Police: \$43,680 - \$262,080

Sheriffs: \$140,400 - \$842,400

RI DEM Environmental Police: \$72,800 - \$291,200

Quonset Firefighters: \$0

FY22 Total: \$622,700 - \$3,590,600

FY 2023:

RI State Police: \$731,640 - \$4,389,840

Capitol Police: \$87,360 - \$524,160

Sheriffs: \$280,800 - \$1,684,800

RI DEM Environmental Police: \$145,600 - \$582,400

Quonset Firefighters: \$0

FY23 Total: \$1,245,400 - \$7,181,200

(4) Accidental Disability Retirement Allowances

Within the fourth category of potential costs—accidental disability retirement allowances—the Budget Office assumes that all of these costs will be incurred in the out-years beyond the timeframe of this analysis. Though statute requires individuals to file for accidental disability retirement after 18 months on IOD, decisions on disability retirements are not rendered that quickly. Based on historical information provided by the Division of Human Resources, the average individual is on IOD for about four and a half years before receiving a determination on a disability retirement

claim.


(5) Labor Litigation Costs

The final category of expenditures that could be driven by passage of this bill is labor litigation costs. Because a significant proportion of law enforcement officers are also military veterans, RI DPS Legal notes that disputes regarding causation of PTSD are likely. If the volume of claims were to become overwhelming, DPS could envision increased litigation. However, it is unlikely that an uptick would translate to an increase in costs as these types of litigation expenses are already built into the agency's budget. The same is true for the two non-DPS entities whose employees would become eligible for these benefits under the proposed structure of the bill. Therefore, this analysis assumes that any impact on litigation costs would be incidental.

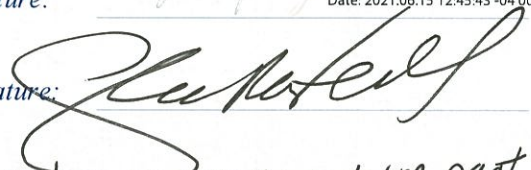
*Summary of Fiscal
Impact:*

FY 2021: N/A
FY 2022: \$622,700 - \$3,590,600
FY 2023: \$1,245,400 - \$7,181,200

Budget Office Signature:


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Note - STATE Budget impact only shown
does not include any local impact