



State Fiscal Note for Bill Number: 2023-H-5373

Date of State Budget Office Approval: Thursday, March 23, 2023

Date Requested: Wednesday, March 15, 2023

Date Due: Saturday, March 25, 2023

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2023	N/A	FY 2023	N/A
FY 2024	See Below	FY 2024	N/A
FY 2025	See Below	FY 2025	N/A

*Explanation by State
Budget Office:*

Section 1 of this bill amends RIGL 45-19-1 entitled “Salary payment during line of duty illness or injury” by extending injury on duty (IOD) benefits to police officers and firefighters diagnosed with post-traumatic stress disorder (PTSD) from exposure to traumatic events, resulting from a police officer or firefighter acting within the course of their employment, unless the diagnosis is attributable to a disciplinary action or similarly adverse job action. Current statute allows for benefits to be awarded when the individual is mentally incapacitated from further service due to injury or illness sustained on duty. The statute does not explicitly reference PTSD and IOD benefit eligibility for PTSD is determined on a case-by-case basis.

*Comments on
Sources of Funds:*

Section 2 of the bill amends RIGL 45-21.2-9 entitled “Retirement for accidental disability” by extending accidental disability retirement allowance (also known as disability pension benefits) to police officers and firefighters who are unable to perform their duties due to PTSD.

IOD benefits and associated costs for state police officers and fire fighters are financed by general revenue or university funds for police officers employed by the public higher education institutions. The costs for municipal police and fire fighters are financed by the respective municipality/fire district.

Employer pension contributions are financed by all sources of funds, and payments made to retired beneficiaries are made through the pension trust fund, which is outside of the general fund and state chart of accounts.

*Summary of Facts
and Assumptions:*

1. The bill takes effect upon passing, which is assumed to be late June 2023. For this reason, no fiscal impact is estimated in FY 2023.

2. The provisions of this bill will apply to police officers and fire fighters employed by the state, a municipality, or fire district.

The “personnel supplement” in the FY 2024 Governor’s Recommended Budget includes a total of 617 police officers and 23 firefighters. The allocation by Division is as follows:

Rhode Island State Police (Department of Public Safety): 283 FTE
Division of Sheriffs (Department of Public Safety): 175 FTE
Capitol Police (Department of Public Safety): 48 FTE
URI Campus Police: 35 FTE

Prepared by:

sinead.knightly / / sinead.knightly@omb.ri.gov

Thursday, March 23, 2023

Page 1 of 8

Environmental Police (Department of Environmental Management): 29 FTE
CCRI Campus Police: 29 FTE
RIC Campus Police: 18 FTE
Quonset Firefighters (Military Staff): 23 FTE

The American Community Survey produced by the U.S. Census Bureau estimates 2,290 police officers and 2,060 firefighters are employed by a municipality/fire district in Rhode Island.

In total, the provisions of this bill will apply to 4,990 police officers and firefighters.

3. Historically, benefits for PTSD-based IOD and disability pension claims have been awarded in some cases and denied in others. According to information previously supplied by the Division of Human Resources, IOD related to PTSD has been granted within the Environmental Police and Division of Sheriffs. Explicitly adding PTSD as a condition for benefit eligibility will likely increase the number of benefits granted.

4. Peer-reviewed literature suggests that the rate of duty-related PTSD in police officers is between 7 percent and 19 percent (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3974929/>). This results in approximately 203 to 435 state and local police officers with PTSD. Additionally, according to the National Institute of Mental Health, among adults with PTSD approximately 36.6 percent experience severe PTSD, 33.1 percent experience moderate PTSD, and 30.2 percent 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, this analysis estimates the number of PTSD-related IOD claims as a range, considering these rates and levels of severity. The lower bounds of the ranges estimated below assume (a) 7 percent of officers experience PTSD and (b) only those with moderate or severe PTSD (69.7 percent) would choose to apply for IOD based on this legislation. The upper bound of the range assumes that (a) 19 percent of officers experience PTSD (b) all officers diagnosed with PTSD and would choose to apply for IOD based on this legislation. The resulting range of police officers filling for IOD benefits due to PTSD is as follows:

Rhode Island State Police: 14 - 54
Division of Sheriffs: 9 - 33
Capitol Police: 2 - 9
URI Campus Police: 2 - 7
Environmental Police: 1 - 6
CCRI Campus Police: 1 - 6
RIC Campus Police: 1 - 3
State Total: 30 - 118
Local Total: 112 - 435
State and Local Total: 142 - 553

5. Peer-reviewed literature suggests that the rate of duty-related PTSD in firefighter

is between 6.5 percent and 30 percent (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5825264/>). Using the same methodology outlined for police officers the resulting range of firefighters filling for IOD benefits due to PTSD is as follows:

Quonset Firefighters: 1 - 7
Local Total: 93 – 435

State and Local Total: 94 – 1,053

6. In total, the estimated range of police officers and fire fighters IOD benefits due to PTSD is as follows:

State Employees: 31 - 125
Local Employees: 205 - 870
Total Employees 236 – 1,178

The decision to file for and granting of IOD benefits are highly dependent on the facts of each specific case. It is possible that actual claims will be lower than the estimates assumed in this bill.

7. This analysis does not assume all individuals will immediately file and be approved for IOD when the bill would take effect. Therefore, it is assumed the newly eligible employees will fill for IOD at the start of the 3rd quarter of FY 2024. RIGL 45-19-1 limits the time an individual can be on IOD status to no more than 18 months, and this analysis assumes all employees will remain on IOD for the full 18 months. Beginning in FY 2026 the individuals must return to work or apply for an accidental disability retirement allowance.

8. The proposed changes in this bill could impact five categories of spending: (a) the salary and benefits of employees with IOD status, (b) IOD medical benefits, (c) backfill overtime costs, (d) accidental disability retirement allowances, and (e) labor litigation costs.

Additionally, salaries for employees on IOD are not subject to income tax. This will result in a loss of Personal Income Tax collections, but it is likely to have a de minimis impact.

(a) Salary and Benefits:

Individuals who have IOD status receive their full salary and benefits for the entire period they are eligible for IOD. The payment of standard salary and benefits will have no fiscal impact as the impacted department will be responsible for the cost regardless of an individual's IOD status, except for the Quonset firefighters. The salary and benefits for active Quonset firefighters are financed with federal funds. However, when a firefighter is on IOD status the department is unable to charge the payroll costs to the federal funds and the costs must be defrayed with general revenue. The average payroll cost of a Quonset firefighter in FY 2024 is \$113,920, and using the estimated range of one to seven firefighters filling for IOD, the fiscal

impact on general revenue expenditures is as follows:

FY 2023: \$0
FY 2024: \$56,960 - \$398,720
FY 2025: \$113,920 - \$797,440

(b) IOD Medical Benefits:

When an employee is on IOD status the employer (the State, public higher education institution, or local unit of government) is responsible for all medical costs related to the injury, including co-pays and deductibles normally paid by the employee. In the case of PTSD, most health insurance policies already cover mental health treatment. The increased medical costs are anticipated to be limited to the payment of employee co-pays and other minor expenses, and it is anticipated there will be a de minimis impact on medical benefit expenditures.

(c) Backfill Overtime Costs:

An increase in the number of police officers and firefighters on IOD status will result in increased overtime costs to backfill the standard shifts the employees are not actively working. To calculate the fiscal impact, this analysis utilizes a baseline annual overtime cost to fill 100 percent of shifts for one employee on IOD in each department. The methodology took the average annual salary for the impacted employees and multiplied it by the standard overtime rate of 1.5 times base pay (average salary * 1.5 = annual overtime costs)

The estimate for each department is as follows:

Rhode Island State Police:

Average Salary: \$101,037
Annual Overtime Cost for One FTE: \$151,556

Division of Sheriffs:

Average Salary: \$67,105
Annual Overtime Cost for One FTE: \$101,657

Capitol Police:

Average Salary: \$61,254
Annual Overtime Cost for One FTE: \$91,881

URI Campus Police:

Average Salary: \$63,528
Annual Overtime Cost for One FTE: \$95,292

Environmental Police:

Average Salary: \$67,575
Annual Overtime Cost for One FTE: \$101,363

CCRI Campus Police:

Average Salary: \$50,123
Annual Overtime Cost for One FTE: \$75,320

RIC Campus Police:
Average Salary: \$58,937
Annual Overtime Cost for One FTE: \$88,406

Quonset Firefighters:
Average Salary: \$65,917
Annual Overtime Cost for One FTE: \$98,876

Local Police Officers and Firefighters:
Average Salary: \$79,657
Annual Overtime Cost for One FTE: \$119,485

The local average salary and overtime costs were calculated using data reported by the Division of Municipal Finance through the Municipal Transparency Portal.

The amount of required overtime will vary greatly and depends on each department's minimum staffing requirements, overall levels of employment, and operational needs. To present a range this analysis provides cost estimates for three levels of backfilled time (i) 100 percent of the standard time for each employee on IOD status will be backfilled with overtime, (ii) 50 percent of the time will be backfilled with overtime, (iii) 25 percent of the time will be backfilled with overtime.

(i) 100% of time back filled (number of employees on IOD status * Overtime Cost for One Person)

Rhode Island State Police:
FY 2024: \$1,060,892 - \$4,092,012
FY 2025: \$2,121,784 - \$8,184,024

Division of Sheriffs:
FY 2024: \$457,457 - \$1,677,341
FY 2025: \$914,913 - \$3,354,681

Capitol Police:
FY 2024: \$91,881 - \$413,465
FY 2025: \$183,762 - \$826,929

URI Campus Police:
FY 2024: \$95,292 - \$333,522
FY 2025: \$190,584 - \$667,044

Environmental Police:
FY 2024: \$50,682 - \$304,089
FY 2025: \$101,363 - \$608,178

CCRI Campus Police:
FY 2024: \$37,660 - \$225,960
FY 2025: \$75,320 - \$451,920

RIC Campus Police:
FY 2024: \$44,203 – \$132,609
FY 2025: \$88,406 - \$265,218

Quonset Firefighters:
FY 2024: \$49,438 - \$346,066
FY 2025: \$98,876 - \$692,132

Local Police Officers and Firefighters:
FY 2024: \$12,246,905 - \$62,907,273
FY 2025: \$24,493,810 - \$125,814,546

Total:
FY 2024: \$14,134,409 - \$70,432,336
FY 2025: \$28,268,818 - \$140,864,672

(ii) 50% of time back filled ([number of employees on IOD status * Overtime Cost for One Person] * 0.50)

Rhode Island State Police:
FY 2024: \$530,446 - \$2,046,006
FY 2025: \$1,060,892 - \$4,092,012

Division of Sheriffs:
FY 2024: \$228,728 - \$838,670
FY 2025: \$457,457 - \$1,667,341

Capitol Police:
FY 2024: \$45,941 – 206,732
FY 2025: \$91,881 - \$413,465

URI Campus Police:
FY 2024: \$47,646 - \$166,761
FY 2025: \$95,292 - \$333,522

Environmental Police:
FY 2024: \$25,341 - \$152,045
FY 2025: \$50,682 - \$304,089

CCRI Campus Police:
FY 2024: \$18,830 - \$112,980
FY 2025: \$37,660 - \$225,960

RIC Campus Police:
FY 2024: \$22,102 - \$66,305
FY 2025: \$44,203 - \$132,609

Quonset Firefighters:
FY 2024: \$24,719 - \$173,033

FY 2025: \$49,438 - \$346,066

Local Police Officers and Firefighters:

FY 2024: \$6,123,453 - \$31,453,637

FY 2025: \$12,246,905 - \$62,907,273

Total:

FY 2024: \$7,067,205 - \$35,216,168

FY 2025: \$14,134,409 - \$70,432,336

(iii) 25% of time back filled ([number of employees on IOD status * Overtime Cost for One Person] * 0.25)

Rhode Island State Police:

FY 2024: \$265,223 - \$1,023,003

FY 2025: \$530,446 - \$2,046,006

Division of Sheriffs:

FY 2024: \$114,364 - \$419,335

FY 2025: \$228,728 - \$838,670

Capitol Police:

FY 2024: \$22,970 - \$103,366

FY 2025: \$45,941 - \$206,732

URI Campus Police:

FY 2024: \$23,823 - \$83,381

FY 2025: \$47,646 - \$166,761

Environmental Police:

FY 2024: \$12,670 - \$76,022

FY 2025: \$25,341 - \$152,045

CCRI Campus Police:

FY 2024: \$9,415 - \$56,490

FY 2025: \$18,830 - \$112,980

RIC Campus Police:

FY 2024: \$11,051 - \$33,152

FY 2025: \$22,120 - \$66,305

Quonset Firefighters:

FY 2024: \$12,360 - \$86,517

FY 2025: \$24,719 - \$173,033

Local Police Officers and Firefighters:

FY 2024: \$3,061,726 - \$15,726,818

FY 2025: \$6,123,453 - \$31,453,637

Total:
FY 2024: \$3,533,602 - \$17,608,084
FY 2025: \$7,067,205 - \$35,216,168

(d) Accidental Disability Retirement Allowance

The provisions of this bill will extend accidental disability retirement allowance to police officers and firefighters diagnosed with PTSD. An increase in accidental disability retirements will impact both the inflows and outflows of the pension trust fund, and the full impact of the bill is indeterminate without a complete actuarial study. However, it is assumed the application and approval process for an accidental disability retirement allowance will extend beyond the timeframe covered in this analysis. For this reason, the extension of accidental disability retirement allowance to police officers and firefighters diagnosed with PTSD is anticipated to have no fiscal impact in FY 2024 or FY 2025.

(e) Labor Litigation Costs

The final category of expenditures that could be impacted by passage of this bill is labor litigation costs. At this time, it is anticipated that departments will be able to manage labor litigation costs resulting from the provisions of this bill with existing resources. But if the volume of disputes becomes substantial in future years additional appropriations for labor litigation costs may be required.

Summary of Fiscal Impact:

FY 2023: N/A

FY 2024:
State Funds: \$484,547 - \$7,231,692
University/College Funds: \$44,289 - \$692,091
Local Funds: \$3,061,726 - \$62,907,273
Total: \$3,590,562 - \$70,831,056

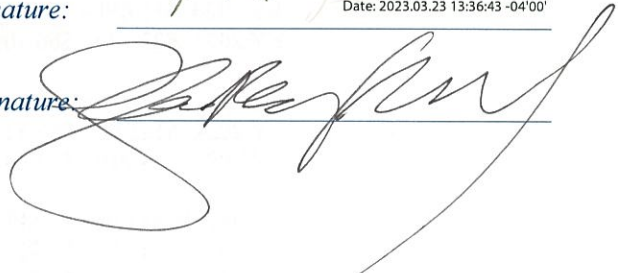
FY 2025:
State Funds: \$969,095 - \$14,463,384
University/College Funds: \$88,578 - \$1,384,182
Local Funds: \$6,123,453 - \$125,814,546
Total: \$7,181,126 - \$141,662,112

Budget Office Signature:



Digitally signed by Joseph
Codega, Jr.
Date: 2023.03.23 13:36:43 -04'00'

Fiscal Advisor Signature:



Prepared by:

sinead.knightly / sinead.knightly@omb.ri.gov

Thursday, March 23, 2023

Page 8 of 8