



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-6300
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State Fiscal Note for Bill Number:

2024-H 7464

Date of State Budget Office Approval: Friday, May 31, 2024

Date Requested: Friday, February 2, 2024

Date Due: Monday, April 15, 2024

<i>Impact on Expenditures</i>	<i>Impact on Revenues</i>
FY 2024 N/A	FY 2024 \$0
FY 2025 See Below	FY 2025 \$0
FY 2026 See Below	FY 2026 \$0

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. The 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, but does not explicitly reference PTSD, and IOD benefit eligibility for PTSD is currently determined on a case-by-case basis.

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.

Summary of Facts and Assumptions:

The bill takes effect upon passing, which is assumed to be late June 2024. For this reason, no fiscal impact is estimated in FY 2024.

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 2025 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): 281 FTE
- Division of Sheriffs (Department of Public Safety): 176 FTE
- Capitol Police (Department of Public Safety): 49 FTE
- URI Campus Police: 34 FTE
- Environmental Police (Department of Environmental Management): 28 FTE
- CCRI Campus Police: 30 FTE
- RIC Campus Police: 19 FTE
- Quonset Firefighters (Military Staff): 23 FTE



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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.

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.

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 552 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 - 53
- Division of Sheriffs: 9 - 33
- Capitol Police: 2 - 9
- URI Campus Police: 2 - 6
- Environmental Police: 1 - 5
- CCRI Campus Police: 1 - 6
- RIC Campus Police: 1 - 4
- State Total: 30 - 116
- Local Total: 112 - 435
- State and Local Total: 142 - 551

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:



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Quonset Firefighters: 1 - 7
Local Total: 93 - 618
State and Local Total: 94 - 625

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

State Employees: 31 - 123
Local Employees: 205 - 1,053
Total Employees 236 - 1,176

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.

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 file for IOD at the start of the 3rd quarter of FY 2025. 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 2027 the individuals must return to work or apply for an accidental disability retirement allowance.

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.

Salary and Benefits:

This analysis adopts the growth factor from the FY 2025 General Revenue Outyear Planning Values from the Five-Year Financial Projection for FY 2026 Salary and Fringe Benefits of 2.17%. 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 2026 is \$122,624 and using the estimated range of one to seven firefighters filling for IOD, the fiscal impact on general revenue expenditures is as follows:

FY 2024: \$0
FY 2025: \$60,010 - \$420,073
FY 2026: \$122,624 - \$858,377



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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.

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: \$99,716
Annual Overtime Cost for One FTE: \$149,574

Division of Sheriffs':

Average Salary: \$70,690
Annual Overtime Cost for One FTE: \$106,035

Capitol Police:

Average Salary: \$63,654
Annual Overtime Cost for One FTE: \$95,481

URI Campus Police:

Average Salary: \$64,680
Annual Overtime Cost for One FTE: \$97,020

Environmental Police:

Average Salary: \$75,232
Annual Overtime Cost for One FTE: \$112,848

CCRI Campus Police:

Average Salary: \$56,345
Annual Overtime Cost for One FTE: \$84,518



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RIC Campus Police:

Average Salary: \$62,711
Annual Overtime Cost for One FTE: \$94,067

Quonset Firefighters

Average Salary: \$72,047
Annual Overtime Cost for One FTE: \$108,071

Local Police Officers and Firefighters:

Average Salary: \$70,634
Annual Overtime Cost for One FTE: \$105,951

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 2025: \$1,047,018- \$3,963,711
FY 2026: \$2,139,477- \$8,099,447

Division of Sheriffs':

FY 2025: \$477,158 - \$1,749,578
FY 2026: \$975,024- \$3,575,087

Capitol Police:

FY 2025: \$95,481 - \$429,665
FY 2026: \$195,106- \$877,976

URI Campus Police:

FY 2025: \$97,020 - \$291,060
FY 2026: \$198,251 - \$594,752

Environmental Police:

FY 2025: \$56,424 - \$282,120
FY 2026: \$115,297 - \$576,484



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2024-H 7464

CCRI Campus Police:

FY 2025: \$42,259 - \$253,553
FY 2026: \$86,352 - \$518,109

RIC Campus Police:

FY 2025: \$47,034 - \$188,133
FY 2026: \$96,108 - \$384,431

Quonset Firefighters:

FY 2025: \$54,036 - \$378,249
FY 2026: \$110,416 - \$772,913

Local Police Officers and Firefighters:

FY 2025: \$10,859,978 - \$55,738,202
FY 2026: \$22,191,278 - \$113,987,394

Total:

FY 2025: \$12,776,406 - \$63,319,269
FY 2026: \$26,107,306 - \$129,386,594

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

Rhode Island State Police:

FY 2025: \$523,509 - \$1,981,856
FY 2026: \$1,069,738 - \$4,049,724

Division of Sheriffs':

FY 2025: \$238,579 - \$874,789
FY 2026: \$487,512 - \$1,787,543

Capitol Police:

FY 2025: \$47,741 - \$214,832
FY 2026: \$97,553 - \$438,988

URI Campus Police:

FY 2025: \$48,510 - \$145,530
FY 2026: \$99,125 - \$297,376

Environmental Police:

FY 2025: \$28,212 - \$141,060
FY 2026: \$57,648 - \$288,242



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CCRI Campus Police:

FY 2025: \$21,130 - \$126,776
FY 2026: \$43,176 - \$259,055

RIC Campus Police:

FY 2025: \$23,517 - \$94,067
FY 2026: \$48,054 - \$192,215

Quonset Firefighters:

FY 2025: \$27,018 - \$189,124
FY 2026: \$55,208 - \$386,455

Local Police Officers and Firefighters:

FY 2025: \$5,429,989 - \$27,891,601
FY 2026: \$11,095,639 - \$56,993,697

Total:

FY 2025: \$6,388,203 - \$31,659,639
FY 2026: \$13,053,653 - \$64,693,295

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

Rhode Island State Police:

FY 2025: \$261,755 - \$990,928
FY 2026: \$534,869 - \$2,024,862

Division of Sheriffs':

FY 2025: \$119,289 - \$437,394
FY 2026: \$243,756 - \$893,772

Capitol Police:

FY 2025: \$23,870 - \$107,416
FY 2026: \$48,776 - \$219,494

URI Campus Police:

FY 2025: \$24,255 - \$72,765
FY 2026: \$49,563 - \$148,688

Environmental Police:

FY 2025: \$14,106 - \$70,530
FY 2026: \$28,824 - \$144,121



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CCRI Campus Police:

FY 2025: \$10,565 - \$63,388
FY 2026: \$21,588 - \$129,527

RIC Campus Police:

FY 2025: \$11,758 - \$47,033
FY 2026: \$24,027 - \$96,108

Quonset Firefighters:

FY 2025: \$13,509 - \$94,561
FY 2026: \$27,604 - \$193,227

Local Police Officers and Firefighters:

FY 2025: \$2,714,994 - \$13,945,800
FY 2026: \$5,547,820 - \$28,496,848

Total:

FY 2025: \$3,194,101 - \$15,829,820
FY 2026: \$6,526,827 - \$32,346,647

1. Accidental Disability Retirement Allowance

Other Cost Considerations

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 2025 or FY 2026. 2.

2. 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.

Comments on Sources of Funds:

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.



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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 Fiscal Impact:

FY 2024: N/A

FY 2025:

State Funds: \$432,529 - \$6,803,320
University/College Funds: \$46,578 - \$732,746
Local Funds: \$2,714,994 - \$55,783,202
Total: \$3,194,101 - \$63,319,267

FY 2026:

State Funds: \$883,830 - \$13,901,904
University/College Funds \$95,177 - \$1,497,292
Local Funds: \$5,547,820 - \$113,987,394
Total: \$6,526,827 - \$129,386,590

Budget Office Signature:  Digitally signed by Joseph Codega Jr.
Date: 2024.05.31 15:22:55 -04'00'

Fiscal Advisor Signature: 

