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FISCAL IMPACT REPORT

SPONSOR Burt LAST UPDATED 3/17/2023
ORIGINAL DATE 2/12/2023
BILL Senate Bill
SHORT TITLE Firefighter Survivor Benefits NUMBER 250/aHF1#1
ANALYST Simon

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

| | FY23 | FY24 | FY25 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|-------|---------------|---------------|----------------------|------------------------------|--------------------------------|
| Total | \$750 | \$0 - \$750.0 | \$0 - \$750.0 | \$750 - \$2,250.0 | Recurring | Firefighters Survivors Fund |

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to appropriation in the General Appropriation Act
Relates to House Bill 277

Sources of Information

LFC Files

Responses Received From

Department of Homeland Security and Emergency Management (DHSEM)

No Response Received

General Services Department (GSD)

SUMMARY

Synopsis of HFI#1 Amendment to Senate Bill 250

The House Floor Amendment to Senate Bill 250 would make the increased supplemental death benefit applicable for any death occurring after February 25, 2022.

Synopsis of Original Senate Bill 250

Senate Bill 250 (SB250) increases the supplemental death benefit for firefighters killed in the line of duty from \$250 thousand to \$1 million.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

Under current law, the surviving spouse, children, or parents of a firefighter killed in the line of duty receives a supplemental death benefit of \$250 thousand. The bill would increase that benefit to \$1 million, aligning the amount with the amount currently in law for the survivors of peace officers killed in the line of duty.

According to the Department of Homeland Security and Emergency Management, in the past 10 years the fund has made payments for seven firefighters. Assuming, on average, less than one firefighter is killed in the line of duty each year, the impact of SB250 on the firefighter survivors fund would be no more than \$750 thousand per year.

Additionally, at least one firefighter has been killed in the line of duty since February 25, 2022, and the bill would require that payout to be increased from \$250 thousand to \$1 million.

Payments from the firefighters' survivors fund do not have a direct general fund impact, but instead are transferred from the fire protection fund, which could see less available for fire protection grants if SB250 becomes law. Current law requires the state treasurer transfer funds from the fire protection fund when the balance of the firefighters' survivors fund falls below \$250 thousand, presumably to ensure the fund always has sufficient fund balance to pay a claim. The bill would increase this fund balance threshold to \$1 million. Information from the state's accounting system shows a current fund balance of \$6.5 million.

The House Appropriations and Finance Committee Substitute for House Bills 2 and 3, as amended by the Senate Finance Committee includes a \$4 million appropriation from the general fund to the DHSEM for the firefighters' survivors fund, which would likely cover several years of benefits paid from the fund.

SIGNIFICANT ISSUES

The supplemental death benefit included in this section was created in 2007 at \$50 thousand. In 2014, the law was amended to increase the benefit to \$250 thousand. In addition, the Risk Management Division of the General Services Department provides state employees and employees of local public bodies receiving insurance coverage through the department a \$50 thousand basic life insurance benefit.

DHSEM notes there is currently an inequity between payments from the peace officers' survivors fund and the firefighters' survivors fund. Legislation from 2022 increased the payment from the peace officers' survivors fund from \$250 thousand to \$1 million.

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