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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Gallegos</u>	<b>LAST UPDATED</b> _____
	<b>ORIGINAL DATE</b> <u>2/20/2023</u>
<b>SHORT TITLE</b> <u>Public Safety Telecomm Retirement</u>	<b>BILL NUMBER</b> <u>Senate Bill 312</u>
	<b>ANALYST</b> <u>Simon</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>DPS Dispatcher</b>		\$45.5 - \$71.7	\$45.5 - \$71.7	\$91.0 - \$143.4	Recurring	General Fund
<b>Local Gov't Dispatchers</b>		\$402.1 - \$633.7	\$402.1 - \$633.7	\$804.2 - \$1,267.4	Recurring	Local Governments
<b>Total</b>		\$447.6 - \$705.4	\$447.6 - \$705.4	\$895.2 - \$1,410.8	Recurring	

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Responses Received From

Department of Public Safety (DPS)  
Public Employees Retirement Association (PERA)  
Department of Finance and Administration, Local Government Division (DFA)  
State Personnel Office (SPO)

## SUMMARY

### Synopsis of Senate Bill 312

Senate Bill 312 (SB312) would amend the Public Employees Retirement Act to add public safety telecommunicators, also called dispatchers, to enhanced retirement plans offered by the Public Employees Retirement Association (PERA), subject to an election, on or before December 30, 2023, to allow current employees to approve the change.

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

Currently, dispatchers employed by the Department of Public Safety (DPS) are members of the state general plan for PERA retirement benefits. Contributions for the state general plan are

lower than contributions for the state police plan, and moving the dispatchers to the state plan would result in increased costs to DPS. DPS estimated the additional cost at \$71.7 thousand per year, including cost for currently vacant positions. State Personnel Officer records indicate 34 of the 93 positions are currently vacant, meaning initial costs would likely be lower. Applying DPS's current vacancy rate to the department's estimate shows an annual cost of \$45.5 thousand. Estimates from DPS include increased PERA and Retiree Health Care Authority contributions of \$356.8 thousand and savings of \$285 thousand for Social Security contributions. State police plan members do not participate in Social Security, while general plan members do.

SB312 would also apply to dispatchers employed by local governments. Analysis from the Local Government Division of the Department of Finance and Administration (DFA) notes there are 881 certified public safety telecommunicators employed by state and local governments. Assuming 59 are employed by DPS, 822 individuals would be employed by local governments. Assuming local governments would realize a similar cost to DPS, additional costs could be between \$402 thousand per year and \$705 thousand annually. Analysis from DFA notes current additional costs could be offset by increases in the state's 911 surcharge, which is among the lowest in the nation. Currently, 911 surcharges are not used to fund dispatcher salaries.

DPS notes provisions of SB312 could alter overtime pay for dispatchers. Currently, dispatchers work 40 hours per week and are eligible for overtime for the 41st hour onward. However, state police officers currently work up to 83 hours per pay period at straight time, with the 84th hour onward eligible for overtime pay. DPS notes moving dispatchers into the federally recognized enhanced retirement plan would bring them into the state police schedule, possibly making dispatchers eligible for less overtime. However, DPS does not project cost savings from this movement.

PERA reports it has not conducted an actuarial analysis of SB312, stating it would need a list of personnel (including both state and local personnel) to estimate the impact.

## **SIGNIFICANT ISSUES**

DPS notes SB312 could assist the department in recruiting and retaining dispatchers by improving retirement benefits. State Personnel Office records as of February 1, show a 36.6 percent vacancy rate and the department reports high turnover rates. Most dispatchers work between three and five years for the department. Analysis from DFA notes job expectations of dispatchers have changed significantly in recent years. In particular, dispatchers must undergo significant and frequent training to remain up-to-date on current standards. Reducing turnover could help lead to savings on training expenses.

Data from PERA shows state and municipal police plans tend to be more attractive, with lower retirement ages and higher average monthly benefits (See Table 1, below). While increasing employee compensation through more attractive pension benefits could improve recruitment and retention, it is unclear if these types of increases are more effective than additional salary-based compensation. Average non-supervisor pay for dispatchers is \$22.21 per hour, or \$46,197 per year, but the House Appropriations and Finance Committee Substitute for House Bills 2 and 3 includes additional targeted compensation for dispatchers to improve recruitment and retention.

**Table 1. Comparison of PERA Retirement Plans**  
(as of June 30, 2022)

Plan	Average Age at Retirement		Average Monthly Benefit	
	FY22 Retirees	All Retirees	FY22 Retirees	All Retirees
State General	61.4	57.9	\$2,867	\$2,687
State Police/Corrections	51.7	51.0	\$3,450	\$3,163
Municipal General	61.6	58.5	\$2,334	\$2,484
Municipal Police	50.1	48.0	\$4,282	\$3,795
Municipal Fire	49.0	48.0	\$4,801	\$4,023
<b>All Members</b>	<b>59.1</b>	<b>56.4</b>	<b>\$2,940</b>	<b>\$2,804</b>

Source: PERA Valuation Report

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