

FISCAL NOTE
HOUSE BILL NO. 1069
LC# 23.8101.02000
01/16/2023

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$30,819		\$30,819
Expenditures				\$79,105		\$79,105
Appropriations				\$56,807		\$56,807

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties		\$8,982	\$8,982
Cities		\$21,837	\$21,837
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB1069 consolidates existing sections related to servicemembers pay and benefits, along with a few additions. Paragraph 1 allows for the highest rate provided to be paid, paragraph 5 allows for equivalent incentive pay as in a federal status, and paragraph 6 allows for pay for rest and recovery.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

Paragraph 1 of Section 1 allows for each officer and enlisted member of the national guard to receive pay at the highest rate provided. This would pay all members at the maximum pay for their rank, eliminating time in service calculations.

Paragraph 5 of Section 1 allows for equivalent incentive pay that an officer or enlisted member of the same rank would be eligible to receive if performing duties in a federal status.

Paragraph 6 of Section 1 allows for commissioned officers and enlisted members to receive pay for a necessary rest and recovery day while on state active duty if they have served more than fourteen days to ensure the national guard members' readiness to perform assigned duties while on state active duty.

Due to the random nature and unpredictability of when an emergency requiring state active duty response may occur, past state active duty missions were used in calculating the fiscal note. Comparisons were made between the actual pay for those missions and the proposed pay scales. Three diverse missions were used in the analysis: COVID-19, civil unrest, and a train derailment.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Generally speaking, when state active duty response is requested the state will be reimbursed through federal FEMA funds or through the entity requesting the assistance such as the city or county. Most federal disasters will receive 75% federal reimbursement with the remaining 25% being split between the entity making the request (15%) and the state (10%). The federal dollars received are not considered revenue, so have not been included within state fiscal effect 1 above. When State Active Duty is required for local response, 100% of the costs are reimbursed.

The amount of revenue shown above, \$30,819, is the portion that would be reimbursed through local entities for the scenarios used in calculating the fiscal note.

The COVID-19 mission used as part of this analysis was reimbursed 100% through federal funds. In the majority of federal disaster response efforts, the 25% not reimbursed through FEMA would be split between the locals (15%) and the state (10%). Using the proposed pay increases in HB 1069, the overall increase would equate to \$14,202. Of this amount an additional \$8,521 would be billed to the locals, and \$5,681 represents the increased state cost.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

When a federal disaster is declared, the expenditures are charged to the agency's Disaster Costs budget line item. If the State Active Duty mission is not related to a federal disaster, the expenditures are generally run through the agency's Army Guard budget line. Depending on the emergency, the funds are either federal funds (federally declared) or special funds (local request).

No FTE positions are affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

If an emergency is federally declared, the agency will ask for additional Disaster Costs appropriation through the Emergency Commission. Generally speaking, for local response efforts the agency has not had to request additional authority. Local response costs are smaller in nature and covered within our existing appropriation. The expenditures incurred are billed back to the locals.

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