

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 1106

PRINTER NO. 1626

AMOUNT

See Fiscal Impact

FUND

General Fund
State Stores Fund

DATE INTRODUCED

April 6, 2020

PRIME SPONSOR

Senator Regan

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1106 amends the Enforcement Officer Disability Benefits Law to extend Heart and Lung Act benefits to an eligible employee who contracts, is diagnosed with COVID-19, or is subject to quarantine resulting from exposure to COVID-19.

The legislation is scheduled to take effect immediately.

Currently, employees covered by the Heart and Lung Act are provided with temporary benefits including full salary, medical and hospital expenses if they are injured or contract certain diseases while performing official duties until the disability has ceased. Any workmen's compensation received or collected by the employee eligible for Heart and Lung Act benefits is to be turned over by the employee to the employer. The law also provides that no absence during an injury covered under the law shall reduce the usual sick leave benefits of enforcement officers or investigators.

FISCAL IMPACT:

At present, when employees eligible for Heart and Lung Act benefits are injured while performing their duties, they are entitled to workmen's compensation, which pays two-thirds of the employee's average weekly wage. The legislation entitles these employees to receive the difference between the amount paid by workmen's compensation and the employee's salary when affected by COVID-19 and unable to work.

The Office of Administration estimates there are 19,836 employees presently under its jurisdiction eligible for Heart and Lung benefits. Assuming the average salary for eligible employees is \$69,954 and the average employee that is affected by COVID-19 is unable to work for four (4) weeks, the cost per employee to the Commonwealth would be \$1,794. While we do not know the number of eligible employees that will be affected by COVID-19, it is likely some proportion will be affected due to the nature of their work in public space. For each 5% of eligible employees that would be affected by COVID-19, the cost to the Commonwealth is estimated to be \$1,778,984.

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The chart below estimates the cost to the Commonwealth for each 5% of the eligible employee population affected by COVID-19 up to 25% of the eligible employee population.

% Eligible Employees	# Eligible Employees	Estimated Cost
5%	992	\$ 1,778,984
10%	1,984	\$ 3,557,968
15%	2,975	\$ 5,336,952
20%	3,967	\$ 7,115,936
25%	4,959	\$ 8,894,920

Counties and municipalities would also incur costs as a result of the legislation. It is estimated there are approximately 31,000 county and municipal employees eligible for benefits under the Heart and Lung Act. Using the same cost assumptions as above, for each 5% of eligible employees that would be affected by COVID-19, the cost to counties and municipalities is estimated to be \$2,780,223.

The chart below estimates the cost to counties and municipalities for each 5% of the eligible employee population affected by COVID-19 up to 25% of the population.

% Eligible Employees	# Eligible Employees	Estimated Cost
5%	1,550	\$ 2,780,223
10%	3,100	\$ 5,560,446
15%	4,650	\$ 8,340,669
20%	6,200	\$ 11,120,892
25%	7,750	\$ 13,901,115

The employers will likely incur additional administrative expenses related to Heart and Lung Act appeals, which can be accomplished within their existing operating budgets.