

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6866

BILL NUMBER: SB 232

NOTE PREPARED: Feb 11, 2021

BILL AMENDED: Feb 11, 2021

SUBJECT: Exposure Risk Diseases.

FIRST AUTHOR: Sen. Ford Jon

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill adds any variant of severe acute respiratory syndrome (SARS), including coronavirus disease (COVID-19), to the list of diseases considered an exposure risk disease for purposes of emergency and public safety employee death and disability presumed in the line of duty for years ending before January 1, 2022. It provides that an employee diagnosed with any SARS, including COVID-19 in the line of duty before January 1, 2022 shall provide verification that the employee was exposed to another individual known to have any SARS, including COVID-19, in the line of duty as demonstrated to the employer through contract testing. The bill provides that disability must be demonstrated through medical records and death must be caused by SARS, including COVID-19, as demonstrated on the death certificate to the employer before the benefit may be paid. The bill prohibits state employee benefit claims based on a health condition caused by COVID-19 contracted in the line of duty after 2021.

Effective Date: July 1, 2021.

Explanation of State Expenditures: If the bill results in additional line-of-duty death or disability determinations for members of the Conservation and Excises Officers Retirement Fund (EG&C), the bill would increase expenditures from the fund for disability benefit payments and survivor benefits. Disability and survivor benefit payments are higher if the disability or death occurred in the line of duty. Any increased cost would be treated as an actuarial loss and amortized over 20 years.

Special Death Benefit: The bill could increase expenditures from the Special Death Benefit Fund if there is an increase in the number of public safety officers eligible for the Special Death Benefit who die in the line of duty. The survivors of an individual who dies in the line of duty receive a benefit amount of \$225,000.

Indiana Public Retirement System (INPRS): The bill would increase workload for INPRS to make administrative changes. INPRS administers the following funds that would be impacted by this bill: Special Death Benefit Fund, EG&C, the 1925 Police Pension Fund (1925 Fund), the 1937 Firefighter’s Pension Fund (1937 Fund), and the 1953 Police Pension Fund (1953 Fund), and the 1977 Police Officer’s and Firefighters’ Pension and Disability Fund (‘77 Fund). The administrative costs of the funds are paid from the respective funds.

(Revised) Additional Information - Changing the definition of risk exposure diseases to include COVID-19 as being presumed to occur in the line of duty impacts line-of-duty death and disability determinations. Compared to current law, the bill may increase the number of deaths and disabilities where COVID-19 is a factor in the death or disability which are determined to be in the line of duty.

Additional line of duty death determinations related to SARS or COVID-19 would increase the number of public safety officers eligible for the Special Death Benefit. There could be additional impacts to the following pension funds, as illnesses presumed to be in the line of duty under IC 5-10-13 trigger line-of-duty death and disability presumptions under the ‘77 Fund, EG&C, sheriff plans, the 1925 Fund, the 1937 Fund, and 1953 Fund. Individuals with the line of duty presumption who are determined to have a disability receive a higher disability benefit than individuals whose disability was not determined to be in the line of duty. Also, survivor benefits are higher for survivors of members whose death is in the line of duty. Conversely, there would not be pension impacts to the State Police Benefit System, whose pension disability and death determinations are separate from presumptions made under IC 5-10-13.

Under the bill and under IC 5-10-13-6, the presumption of disability or death incurred in the line of duty does not apply when a vaccine or other preventive measures against the exposure risk disease is available but not received.

Early research about the impact of COVID-19 on first responders in New York and New Jersey in March-May 2020, found that first responders experienced significantly higher rates of COVID-19 cases than were found in the general public. Those with prior issues with their lung health prior to the pandemic tended to have more severe cases.

Actuarial gains or losses are the effects of actuarial costs of deviations or differences between the past events predicted by actuarial assumptions and the events that actuarially occurred. An actuarial gain results where the actual experience under the plan is more favorable than the actuary’s estimate, while an actuarial loss reflects an unexpectedly adverse deviation.

Amortization means paying off an interest-bearing liability by gradual reduction through a series of installments as opposed to paying it off by one lump-sum payment.

Explanation of State Revenues:

Explanation of Local Expenditures: If the bill results in additional line-of-duty death or disability determinations, the bill would increase expenditures for disability benefit payments and survivor benefits. Disability and survivor benefit payments are higher if the disability or death occurred in the line of duty. Any increased cost would be treated as an actuarial loss and amortized over 20 years.

The employees affected by this bill include local police and firefighters, county police officers, county sheriffs, town marshals, deputy town marshals, and emergency medical services providers. The funds

affected would be the: (1) 1925 Fund, 1937 Fund, and 1953 Fund; (2) ‘77 Fund; and (3) county sheriff plans.

(See *Explanation of State Expenditures: Additional Information*).

Medical Expenses: If additional death or disability determinations connected with COVID-19 are presumed to be incurred in the line of duty under the bill, cities may experience increased costs for medical expenses for police officers and firefighters under IC 36-8-4-5.

Explanation of Local Revenues:

State Agencies Affected: State Police; Department of Natural Resources; Department of Correction; Indiana Public Retirement System; any agency with emergency medical providers.

Local Agencies Affected: Counties, cities, towns, and townships.

Information Sources: Weiden MD, Zeig-Owens R, Singh A, *et al.* Pre-COVID-19 Lung Function and Other Risk Factors for Severe COVID-19 in First Responders. *ERJ Open Res* 2020; <https://doi.org/10.1183/23120541.00610-2020>. Accessed 26 December 2020.

Maguire, Brian, et al. “COVID-19 fatalities among EMS clinicians.” *EMSI*, www.emsl.com/ems-products/personal-protective-equipment-ppe/articles/covid-19-fatalities-among-ems-clinicians-BMzHbuegIn1xNLrP/. Accessed 26 December 2020.

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