

Fiscal Note

BILL # HB 2440

TITLE: death benefit; transitional housing benefit

SPONSOR: Finchem

STATUS: As Introduced

PREPARED BY: Ryan Fleischman

Description

The bill would establish a new supplemental benefit program to provide survivors of law enforcement officers and firefighters killed in the line of duty a monthly benefit payment to pay for housing costs for 1 year. These costs would be paid from a Transitional Housing Benefit Fund established by the bill. The bill appropriates \$500,000 from the General Fund for this purpose.

Estimated Impact

The bill would increase state General Fund costs by \$500,000 in FY 2021. This appropriation appears sufficient to fund the program.

Analysis

Current statute provides the following benefits from the Public Safety Personnel Retirement System (PSPRS) to the surviving spouse or surviving dependent of a deceased law enforcement officer or firefighter killed in the line of duty: 1) A monthly benefit equal to the member's average monthly compensation, with a lifetime benefit for spouses and an amount allocated for dependents until the age of 18 or 23 (as applicable); 2) Continued enrollment in the member's health insurance program, with the employer maintaining their premium payment. The survivor is responsible for the employee share and also receives a fixed monthly stipend from PSPRS to help pay those costs.

HB 2440 would add an additional supplemental benefit separate from the PSPRS system. This would provide housing benefits to the surviving spouse or surviving dependent of fallen law enforcement officers and firefighters to be used for mortgage or rental payments for a primary residence. The benefit payments may continue for up to one year and may not exceed \$5,000 per month. The bill does not contain a retroactivity clause, so housing benefits would only be provided to spouses or dependents of law enforcement officers and firefighters who are killed in the line of duty after the implementation of the bill.

The bill establishes a Transitional Housing Benefit Fund administered by the Governor to consist of monies appropriated to the fund and monies received by the Governor's office from any lawful public or private source for the purpose of the fund. The bill appropriates \$500,000 from the General Fund to the Transitional Housing Benefit Fund in FY 2021.

HB 2440 does not establish a specific definition for the law enforcement officers or firefighters eligible for the benefit in the bill. This analysis assumes that other statutory definitions would apply, which generally cover the following positions at either the state or local government level: police officers, correctional/detention officers, and firefighters. Under this definition, there were 3 individuals who were killed in the line of duty during 2019 who served in positions eligible for the benefit. Any benefit eligibility would also depend on whether the law enforcement officer or firefighter had a surviving spouse or dependent.

According to data published by the US Census Bureau for 2018, the median monthly housing expense for renters in Phoenix was \$1,049, and the median monthly housing expense for households with a mortgage in Phoenix was \$1,450. Using the average of these 2 amounts would result in an assumed monthly housing benefit of \$1,250.

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Assuming 3 survivor beneficiaries in a given year and a monthly housing benefit of \$1,250, annual costs under the program are estimated to be \$45,000 ($\$1,250/\text{month} \times 12 \text{ months} \times 3 \text{ beneficiaries}$). Given this annual cost, the bill's \$500,000 appropriation appears sufficient to fund the program.

Local Government Impact

None

2/5/20