

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 708 – SB 1002

February 16, 2023

SUMMARY OF BILL: Entitles each local unit of government that requires all full-time certified local correctional officers to complete an in-service training course each calendar year to receive from the Tennessee Corrections Institute (TCI) a pay supplement of \$800 for each officer if the training course is: (a) provided or approved by TCI; (b) appropriate to the officer's rank and responsibility and the size and location of the officer's department, and; (c) at least 40 hours in duration. Establishes that certified local correctional officers are eligible for the pay supplement upon successful completion of 40 hours of in-service training. Establishes various requirements for when an officer is or is not eligible to receive the supplement. Stipulates that the pay supplement is a bonus for the successful completion of training and is not considered part of the county correctional officer's salary for a subsequent year's determination of supplemental pay or for retirement purposes.

FISCAL IMPACT:

Increase State Expenditures - \$3,482,800/FY23-24

Exceeds \$3,467,800/FY24-25 and Subsequent Years

Assumptions:

- The proposed legislation establishes that funds must not be expended under this act unless the funds are specifically appropriated for such purposes. Therefore, it is assumed that the proposed pay supplement will be funded by the state and not local government.
- Based on information provided by TCI, there are currently an estimated 5,522 correctional officers employed in Tennessee and approximately 21 percent of correctional officer positions eligible under the TCI are vacant.
- It is not known how many of the potential 5,522 correctional officers will complete the annual training requirements necessary to receive the proposed pay supplements. It is also not known how many of the remaining 21 percent of eligible positions may be filled in the coming years, but the total number of correctional officers is expected to increase.
- It is assumed that the \$800 annual pay supplement will be an effective incentive for correctional officers to complete the annual training.
- According to TCI, the annual turnover rate for correctional officers is approximately 15 to 20 percent. It is assumed that the percentage of officers who will complete the annual training and be eligible for the supplement is 75 percent.
- Therefore, the increase in state expenditures to provide the supplements is estimated to be \$3,313,200 [$\$800 \times (5,522 \text{ officers} \times 75\%)$] in FY23-24.

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- It is assumed that an unknown percentage of the vacant correction officer positions will be filled in the coming years.
- Therefore, the recurring increase in state expenditures to provide the supplements is estimated to exceed \$3,313,200 in FY24-25 and subsequent years.
- The TCI will require two additional positions to administer the pay supplement program.
- The increase in state expenditures associated with the additional positions is estimated to be \$169,550 (\$112,596 salary + \$32,554 benefits + \$15,000 office setup + \$7,000 supplies + \$2,400 professional services) in FY23-24.
- The recurring increase in state expenditures associated with the additional positions is estimated to be \$154,550 (\$112,596 salary + \$32,554 benefits + \$7,000 supplies + \$2,400 professional services) in FY24-25 and subsequent years.
- The total increase in state expenditures is estimated to be \$3,482,750 (\$3,313,200 supplements + \$169,550 positions) in FY23-24.
- The total recurring increase in state expenditures is estimated to exceed \$3,467,750 (\$3,313,200 supplements + \$154,550) in FY24-25 and subsequent years.
- It is assumed that any increase in local government expenditures to process the pay supplements will be not significant as qualified correctional officers are employees of such governments.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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