



MEMORANDUM OF RECORD

TO: Department of Treasury

FROM: Kent Cagle, City Manager

DATE: October 12, 2021

SUBJECT: PREMIUM PAY FOR CERTAIN PUBLIC SAFETY EMPLOYEES

The Interim Final Rule for the Coronavirus State and Local Fiscal Recovery Funds, in Section II. Eligible Uses, B. Premium Pay, requires that if premium pay increases a worker's total pay above 150% of the higher of the state's or county's average annual wage for all occupations, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, the City must provide the Department of Treasury and make publicly available a written justification of how the premium pay is responsive to workers performing essential work during the public health emergency.

The average annual wage for the state of Texas is \$52,400, which makes the 150% threshold \$78,600. For the period beginning October 1, 2021, and ending September 30, 2022, the City of Killeen will provide premium pay in the amount of \$2 per hour, or \$4,160 annually, to 532 positions within the Police and Fire Departments. Of the 532 Police and Fire positions, the total pay for 118 of the positions will be above the 150% threshold.

As stated in the Interim Final Rule, Sections 602(g)(2) and 603(g)(2) of the Social Security Act define eligible worker to mean those workers needed to maintain continuity of operations of essential critical infrastructure sectors to protect the health and wellbeing of residents. The rule further identifies critical infrastructure sectors to include public safety. Public safety employees perform essential work that requires regular in-person interactions and continue to face elevated health risks due to the threat of COVID-19. As such, the City of Killeen deems it justifiable to compensate public safety employees whose annual salary will be over the 150% threshold for the heightened risk associated with responding to the public health emergency.