

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB612

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Carrico

3. Committee General Laws

4. Title State police officers; salary increases.

5. Summary/Purpose:

Specifies that it is the policy of the Commonwealth to provide adequate and consistent salary increases to state police officers and directs the Department of Human Resource Management to determine annually any instances where Virginia officers are compensated at less than the average of their counterparts in surrounding states. The proposed legislation also requires the Governor to include sufficient funds in the Budget Bill to correct any such deficiencies.

6. Fiscal Impact Estimates are Preliminary:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	0	0	N/A
2004-05	\$2,040,754	0	GF
2004-05	\$360,133	0	NGF
2005-06	\$2,040,754	0	GF
2005-06	\$360,133	0	NGF
2006-07	\$2,040,754	0	GF
2006-07	\$360,133	0	NGF
2007-08	\$2,040,754	0	GF
2007-08	\$360,133	0	NGF
2008-09	\$2,040,754	0	GF
2008-09	\$360,133	0	NGF
2009-10	\$2,040,754	0	GF
2009-10	\$360,133	0	NGF

7. Budget amendment necessary: No budget amendment is required for the current introduced budget. The proposed legislation mandates that the Governor include funding for any deficiencies in the introduced budget bill. The next window of opportunity for this is the budget amendments that will be introduced for the 2005 session.

8. Fiscal implications: The Department of Human Resource Management (DHRM) has conducted a preliminary examination of the salaries of Virginia State Troopers as compared to their counterparts in adjacent states and the District of Columbia. This preliminary review indicates that the average salaries for the following groups of Virginia State Troopers are lower than the salaries of their counterparts in at least one of the adjacent states;

Group	Percent Deficient	Salary Base	Added Salary Cost* (All Funds Excluding Benefits)
Trooper II	6%	\$16,793,910	\$1,007,635
Senior Trooper	4%	\$17,457,232	\$698,289
Master Trooper	2%	\$5,660,280	\$113,206

*Added salary cost calculated by multiplying the "Percent Deficient" column by the "Salary Base" column.

In order to determine the total cost of the proposed legislation, benefits have to be applied to the added salary cost (from the above table). The following table shows the cost of benefits on the additional salary cost. (The benefits cost shown assume the rates used in the Governor's introduced budget**).

Cost w/out Benefits (from table above)	Retirement	Social Security & Medicare	Retiree Health Credit	Sickness and Disability	Total Salary Plus Benefits
\$1,007,635	\$216,541	\$77,084	\$11,991	\$16,626	\$1,329,876
\$698,289	\$150,062	\$53,419	\$8,310	\$11,522	\$921,602
\$113,206	\$24,328	\$8,660	\$1,347	\$1,868	\$149,409
\$1,819,129	\$390,931	\$139,163	\$21,648	\$30,016	\$2,400,887

**Retirement rate =21.49% of salaries, social security/Medicare =7.65% of salaries, health credit = 1.19% of salaries, sickness and disability =1.65% of salaries. Group life is not included as there is currently a premium holiday.

The Department of State Police expends approximately 85 percent of State Trooper salaries using general fund dollars. The remaining 15 percent is funded through federal funds, transportation dollars, and other nongeneral fund sources. To determine the general fund share of the cost of the proposed legislation, the "Total Salary Plus Benefits" cost of \$2,400,887 from the table above is multiplied by 85 percent resulting in an annual GF cost of \$2,040,754.

In the Governor's introduced budget, \$2.6 million from the general fund is included to address State Trooper salary issues. Out of this amount, \$1.1 million is included for a base pay adjustment of \$500 and the creation of additional senior trooper positions. The remaining \$1.5 million is will provide each sworn officer an additional \$630 per year which will have the effect of establishing the starting base pay at \$31,000 per year. (Language in the introduced budget makes this additional \$1.5 million in funding contingent on the passage of tax reform.)

9. Specific agency or political subdivisions affected: The Department of State Police, The Department of Human Resource Management, and the Office of the Governor.

10. Technical amendment necessary: N/A

11. Other comments: This bill is similar to SB 559.

Date: 1/19/04 JDH

Document: JDH G:\2004Session\EFIS\DHRM-Other\HB612.DOC

cc: Secretary of Administration
Secretary of Public Safety