

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number: HB 10**

House of Origin	<u>X</u>	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

**2. Patron:** Wright

**3. Committee:** Appropriations

**4. Title:** Line of Duty Act; definition of deceased person; fire company personnel of the Virginia National Guard and the Virginia Air National Guard

**5. Summary:** This bill amends the Line of Duty Act by adding another group to those who are eligible to receive Line of Duty benefits. The group being added is: fire company personnel providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard.

**6. Fiscal Impact Estimates:**

Chapter 847, Item 262 B. changed the funding methodology for the Line of Duty program from a cash-basis budget to an actuarial-basis budget. HB 30, the Governor's introduced budget continues the actuarial-basis funding for the Line of Duty program. Adding to the population eligible for Line of Duty benefits increases the potential for benefits to be paid to the newly eligible population upon disability or death, which increases actuarial costs. The fiscal impact of this bill is calculated by multiplying the number of newly eligible individuals times the actuarially determined annual required contribution per person eligible.

During 2007, the Department of Military Affairs determined that fewer than 50 additional individuals would be eligible for this benefit as a part of the fire company personnel. The actuarially determined cost for each person eligible for line of duty benefits is \$472 per year. Therefore, the annual cost estimated for this bill is approximately \$23,600 (50 x \$472). The actuarial cost in future years may change depending upon variances between actual and assumed health insurance rate increases, investment returns and other actuarial factors.

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	0	0	N/A
2009	\$23,600	0	GF (0100)
2010	\$23,600	0	GF (0100)
2011	\$23,600	0	GF (0100)
2012	\$23,600	0	GF (0100)
2013	\$23,600	0	GF (0100)
2014	\$23,600	0	GF (0100)

**7. Budget Amendment Necessary:** Yes. Item 267

**8. Fiscal Implications:** This bill will increase the actuarial cost to the Line of Duty program.

**9. Specific Agency or Political Subdivisions Affected:** Department of Accounts; Department of State Police; fire company personnel of the Virginia National Guard and the Virginia Air National Guard.

**10. Technical Amendment Necessary:** None

**11. Other Comments:** None

**Date:** 1/16/2008 dpbjwe

**Document:** G:\2008FIS HB10.doc

cc: Secretary of Public Safety  
Secretary of Finance