Department of Planning and Budget
2012 Fiscal Impact Statement

1. **Bill Number:** HB42

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

2. **Patron:** Tata

3. **Committee:** General Laws

4. **Title:** Line of Duty Act; certain members of fire companies or departments.

5. **Summary:** This bill includes in the definition of a deceased person under the Line of Duty Act (§ 9.1-400, Code of Virginia), members of any fire company or department providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard.

6. **Budget Amendment Necessary**: No, see item 11, below.

7. **Fiscal Impact Estimates:** Preliminary.

8. **Fiscal Implications:** This bill would codify a subset of individuals for coverage under the Line of Duty Act (LODA). Language including these individuals under the LODA and provisions regarding funding the associated additional cost of this expanded coverage are already included in Item 268 E. of HB/SB30. Specifically, the language extends LODA benefits to a member of any fire company providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard. The language states that the funding for this inclusion shall be paid by the Department of Military Affairs (DMA) out of its current appropriation.

   The Department of Military Affairs (DMA) reports that 20 individuals are impacted by this bill; 16 as full-time employees and four as part-time. Starting on July 1, 2011, the LODA program became fee-based. All state agencies and localities that opt to continue participating in the state program (on or before July 1, 2012) are charged a premium for each individual that is eligible to receive LODA benefits.

   The premium is set annually at a rate to cover estimated death and health benefit expenses, a repayment of the loan from the Group Life fund to cover costs associated with the program for FY 2011 and part of FY 2012, and administrative costs incurred by the Virginia Retirement System (VRS) and the Department of Accounts (DOA). Employees who qualify for line of duty coverage and are full-time equivalent (FTE) are calculated at 100 percent of the rate, part-time members are also assessed at 100 percent of the FTE rate and volunteers are calculated at a rate of 25 percent of an FTE.

According to VRS, the premium cost for each FTE eligible to receive LODA benefits is $474.14 in FY 2013 and $521.97 in FY 2014. These rates are based on a current disbursement basis and assume that all local entities without claims would opt out on or before July 1, 2012. The FY 2013 cost to be absorbed by DMA for covering these individuals under the LODA is estimated at $9,482.80 for 20 FTEs ($474.14 x 20 FTE x 100 percent of the rate). The same calculation using the FY 2014 estimated premium charge of $521.91 results in a total FY 2014 cost of $10,438.20.

9. **Specific Agency or Political Subdivisions Affected:** Virginia National Guard, Virginia Air National Guard, Department of Military Affairs, Department of Accounts, and the Virginia Retirement System.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** Included in HB/SB 30 is $5.1 million to assist state agencies with the general fund portion of their LODA costs; it is anticipated that a portion of this amount will be distributed to DMA to assist with the cost associated with this bill. The exact figure to be distributed to DMA in FY 2013 and FY 2014 is indeterminate until after July 1, 2012, when localities have made an irrevocable election to stay in, or opt-out, of the state financing model. At this time, a final calculation may be done as to the premium owed by those still in the state financing model for each covered employee, and the general fund share of such for each participating state agency (including DMA).

    Additionally, this bill is very similar to SB424.

    Date: 1/18/2012