

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB1486S1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Morrissey

3. Committee: Senate Finance and Appropriations

4. Title: Per diem compensation for retired judges temporarily recalled to service

5. Summary: The proposed bill amends § 17.1-327 (Payment for services of retired judges; members of the State Corporation Commission and Virginia Workers' Compensation Commission) raising from \$200 to \$500 the per diem compensation for retired judges temporarily recalled to service.

6. Budget Amendment Necessary: Yes, Items 45, 46, and 47

7. Fiscal Impact Estimates: Preliminary (see Item 8 below)

8. Fiscal Implications: According to the Executive Secretary of the Supreme Court (“OES”), the bill would increase the per diem compensation for retired judges temporarily recalled to service from \$250 to \$500.

Retired judges sat for 10,355 days in FY 2019, the last full year before COVID-19 impacted court operations. If the per diem was increased to \$500 and the utilization of retired judges returned to the pre-COVID level the fiscal impact would be an increase of the per diem expenditures by \$2,786,789 (\$2,588,750 for per diem and \$198,039 for FICA taxes)..

HB1400/SB800 includes \$1,672,073 to cover the cost of raising the per diem for retired judges temporarily recalled to service. This fund is sufficient to raise the per diem from \$250 a day to \$400 a day. Assuming the funding in HB1400/SB800 remains in the budget, an additional \$1,114,716 would be needed in FY 2024 and thereafter to raise the per diem to \$500 a day.

The fiscal impact on the Virginia Workers’ Compensation Commission and the State Corporation Commission is indeterminate, but is expected to minimal or no cost.

9. Specific Agency or Political Subdivisions Affected: Courts, Virginia Workers’ Compensation Commission, State Corporation Commission

10. Technical Amendment Necessary: No

11. Other Comments: Currently, language in the appropriation act (Item 483 N., HB1400/SB800) provides that “Notwithstanding the provisions of § 17.1-327, Code of Virginia, any justice, judge, member of the State Corporation Commission, or member of the Virginia Workers' Compensation Commission who is retired under the Judicial Retirement System and who is temporarily recalled to service shall be reimbursed for actual expenses incurred during such service and shall be paid a per diem of \$250 *the first year and \$400 the second year* for each day the person actually sits, exclusive of travel time.” To meet the intent of the legislation, the language would have to be amended.