



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 481 of the 130th G.A.](#)

Date: November 13, 2014

Status: As Introduced

Sponsor: Reps. Rogers and McGregor

Local Impact Statement Procedure Required: No

Contents: Adds survivors of certain safety employees to be eligible for benefits under the Volunteer Fire Fighters' Dependents Fund or the Ohio Public Safety Officers Death Benefit Fund

State Fiscal Highlights

- The bill makes survivors of part-time, reserve, volunteer, and certain other peace officers killed in the line of duty eligible for benefits under the Ohio Public Safety Officers Death Benefit Fund. The fund is overseen by the Ohio Police and Fire Pension Fund (OP&F), but is financed by quarterly amounts of cash transferred from the GRF appropriated under the Treasurer of State's budget.
- Expanding the list of survivors eligible for the death benefit under the Ohio Public Safety Officers Death Benefit Fund may increase benefits payable. Ultimately, the fiscal effect will depend on the number of existing claims to be paid and new claims arising under the bill.

Local Fiscal Highlights

- The bill extends benefits from the Volunteer Fire Fighters' Dependent Fund (VFFDF) to survivors of certain emergency medical service personnel. The VFFDF is funded by initial premiums from political subdivisions or fire districts that employ volunteer firefighters. If all of the political subdivisions or fire districts that have not paid into the VFFDF would now be required under the bill, the maximum amount collected would be approximately \$195,000.
- The bill increases the monthly benefit payable to survivors of volunteer firefighters from \$300 per month to 40 hours multiplied by Ohio's minimum wage. This change in the benefit could increase payouts from the VFFDF.
- Current law provides for the fund to collect supplementary assessments from members if claims against the VFFDF have reduced it to 95% or less of its basic capital account. If that is the case, participating political subdivisions or fire districts would have to pay an assessment based on current property valuation, ranging from \$90 to \$150.

Detailed Fiscal Analysis

Overview

The bill makes survivors of certain emergency medical service (EMS) personnel killed in the line of duty eligible for benefits from the Volunteer Fire Fighters' Dependents Fund. Additionally, the bill increases the survivor death benefit amount payable from the Volunteer Fire Fighters' Dependents Fund (VFFDF). The bill also extends benefits from the Ohio Public Safety Officers Death Benefit Fund to survivors of certain other categories of police officers who were killed in the line of duty who are not covered under current law. The fiscal effects the bill will have on each fund are described in detail below.

Volunteer Fire Fighters' Dependents Fund

The bill extends benefits from the VFFDF to EMTs, EMS personnel, fire chiefs, and assistant fire chiefs who are (1) are hired on a part-time or volunteer basis, (2) have completed a required firefighter training course, and (3) are not members of the Public Employees Retirement System, the Ohio Police and Fire Pension Fund (OP&F), or the Cincinnati Retirement System. If any of these additional types of firefighting personnel are killed in the line of duty, this allows their survivors to qualify for benefits from the VFFDF. Also, these additional personnel would be eligible for the disability benefit that current volunteer firefighters receive if they become totally and permanently disabled during their duties. The disability benefit remains the same under the bill at \$300 per month.

The bill increases the monthly survivor benefit payable from the VFFDF. Surviving spouses, dependent children, or dependent parents will receive a monthly "death benefit amount" that the bill establishes. Under the bill, this amount is 40 hours multiplied by Ohio's minimum wage. In calendar year (CY) 2015, Ohio's minimum wage will be \$8.10 per hour. This will increase the monthly death benefit payment from \$300 to \$324 (40 hours x \$8.10). Note that under current law, a surviving spouse of a volunteer firefighter killed in the line of duty receives a lump sum of \$1,000 in addition to the \$300 per month in ongoing benefits. While the bill eliminates the \$1,000 lump sum, as noted just above, it does provide for a higher monthly payment to survivors.

The VFFDF is funded by initial premiums from each political subdivision or fire district which maintains a whole or part volunteer fire department or employs volunteer firefighters. Initial premiums are based on assessed property valuation and range from \$300 to \$500. A political subdivision or fire district that made an initial premium would only need to further contribute to the VFFDF if the claims against the fund have reduced the fund to 95% or less of its basic capital account. In that case, the State Fire Marshal would assess the political subdivision or fire district on the current property valuation. These assessments range from \$90 to \$150.

According to the Ohio Fire Chiefs' Association (OFCA), approximately 910 (70%) of the state's 1,300 fire departments are exclusively run by volunteers or operated by a combination of paid full-time, part-time, and volunteer firefighters. Assuming that the remaining 390 nonvolunteer fire departments have EMS personnel who would now be eligible for VFFDF benefits under the bill and have the highest assessed property valuation of \$28.0 million or over, the total maximum impact of the bill would be approximately \$195,000 (390 nonvolunteer fire departments x \$500) in additional premiums.

Ohio Public Safety Officers Death Benefit Fund

The bill expands the list of survivors eligible for death benefits under the Ohio Public Safety Officers Death Benefit Fund by including spouses and dependents of peace officers serving in auxiliary, part-time, reserve, reserve/auxiliary, seasonal, special, or volunteer capacity. Similar to volunteer firefighters, the surviving spouse, dependent children, or dependent parents of these peace officers will be eligible for the death benefit amount. As mentioned previously with regard to volunteer firefighters, this will be \$324 per month in CY 2015.

The Ohio Public Safety Officers Death Benefit Fund is financed through quarterly cash transfers of GRF money to OP&F under appropriation item 090575, Police and Fire Death Benefits, in the Treasurer of State's budget. The Board of Trustees of OP&F is to certify the amounts used for this purpose, and to return any unused amounts to the state by the close of each fiscal year. Over the past five fiscal years, the amounts disbursed to OP&F have been \$20.0 million in each fiscal year, the amount annually appropriated for this purpose. Nearly the full amount appropriated is used for benefits under the current eligibility criteria for the program.

In 2013, the Ohio Peace Officer Training Academy trained an estimated 6,600 special, auxiliary, reserve, reserve/auxiliary, and seasonal peace officers. According to the Reserve Police Officers Association, seven special, auxiliary, or reserve peace officers have been killed in the line of duty between 1965 and 2009. Ultimately, the net impact of the expanded death benefit under the bill will depend on the existing number of ongoing death benefit claims and any new claims that would arise under the new categories of survivors allowed to receive benefits under the bill.