LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
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FISCAL IMPACT STATEMENT

LS 6207 **DATE PREPARED:** Jan 25, 2000
BILL NUMBER: SB 76 **BILL AMENDED:** Jan 24, 2000

SUBJECT: Death benefit for probation officers.

FISCAL ANALYST: Mark Goodpaster; Jim Sperlik
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FUNDS AFFECTED: **GENERAL** **IMPACT:** State
X **DEDICATED**
FEDERAL

Summary of Legislation: (Amended) This bill retroactively expands the law to provide that survivors of a probation officer who dies in the line of duty are entitled to receive certain death benefits. It provides that a probation officer killed in the line of duty after April 27, 1997, and before January 1, 1998, is entitled to a $150,000 special death benefit. (The introduced version of this bill was prepared by the probation services study committee.)

Effective Date: (Amended) April 27, 1997.

Explanation of State Expenditures: (Revised) As amended, this bill would require an immediate payout of $150,000 for a probation officer who was killed in the line of duty between April 27, 1997 and January 1, 1998 from the Special Death Benefit Fund. Staff at the Indiana Judicial Center indicate that one probation officer was killed during this period of time.

In the long term, this bill would minimally affect the Special Death Benefit Fund (Fund), which received funding from a $5 dollar fee collected for each bail bond issued until December 31, 1998. (The statutory requirement for fee collections for the Fund expired on that date). This fund provides a death benefit of $150,000 for each public safety officer who dies in the line of duty beginning after April 27, 1997 to include a probation officer who was killed in the line of duty.

The Fund balance as of June 30, 1999 was $4.05 M. Over the last ten years, the average number of claims on this fund was 1.9 (with an average payout of 1.9 X $150,000 or $285,000 per year). Only one probation officer has died in the line of duty in the past 10 years. (This would equate to an average of 0.1 deaths annually over ten years.) By raising the current average claims from 1.9 to 2.0 annually, with a predicted new annual payout of $300,000 a year and an investment rate of 5.5%, the Fund would be exhausted in 25 years under this bill, as opposed to 28 years. Fluctuations in annual deaths, as well as interest rate changes and investment strategies would affect the length of time the Fund might remain self-perpetuating.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund.

Local Agencies Affected:

Information Sources: Bob Champion, Indiana Judicial Center, 232-1313; Treasurer of State, Investment Summary, www.state.in.us/tos/tosrpt98.html.