

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 694

SPONSOR: Governmental Oversight & Productivity Committee and Senator Saunders

SUBJECT: The Florida Retirement System

DATE: March 15, 2001 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rhea	Wilson	GO	Favorable/CS
2.	_____	_____	CA	_____
3.	_____	_____	AGG	_____
4.	_____	_____	AP	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This committee substitute would include in the Special Risk Class of the Florida Retirement System, supervisors or command officers of emergency medical technicians and paramedics who are in the Special Risk Class, and members who have direct supervision over them. Further, the committee substitute modifies the duties and responsibilities required for a firefighter to be eligible for inclusion in the special risk class.

This committee substitute amends section 121.0515, Florida Statutes.

II. Present Situation:

Chapter 121, F.S., the Florida Retirement System Act, establishes requirements for eligibility in the Florida Retirement System (FRS). The FRS is a multi-employer, non-participatory defined benefit pension plan that provides vested members a retirement benefit based on a formula determined by years of service, average final compensation, and member classification accrual rates. It includes five membership classes: Regular, Special Risk, Special Risk Administrative Support, Elected State and County Officers, and Senior Management Service.

Current law establishes specific eligibility requirements for membership in the Special Risk Class. Membership is limited to members who are employed as law enforcement officers, firefighters, correctional and correctional probation officers, EMTs or paramedics who meet the criteria in s. 121.0515, F.S. These members are included within special risk because their positions are physically demanding and often require extraordinary agility and mental acuity, which often limits their ability to obtain the normal retirement age of 62. Accordingly, Special Risk Class members have been given greater career benefits than Regular Class members. A member of the Special Risk class:

1. Receives 3 percent of average final compensation (AFC), as opposed to 1.60 percent to 1.68 percent for a Regular Class member, for each year of service earned.
2. Reaches normal retirement at an earlier age (55 instead of 62) or with fewer years of service (25 instead of 30) than a Regular Class member.

Emergency medical technicians (EMTs) and paramedics did not become members of the Special Risk Class of the FRS until October 1, 1999.¹ The act making EMTs and paramedics members of the Special Risk Class, however, did not give their supervisors or command officers the same SMS status.

Firefighters may also be included in the special risk class. Under s. 121.0510(2)(b), F.S., a firefighter must be certified, or required to be certified, in compliance with s. 633.35, F.S., and be employed solely within the fire department of the employer or agency of state government. The paragraph requires that a member's duties and responsibilities must include on-the-scene fighting of fires or direct supervision of firefighting units, or the member must be the supervisor or command officer of a member or members who have such responsibilities. The committee substitute excludes administrative support personnel, including those whose primary duties and responsibilities are in accounting, purchasing, legal, and personnel.

III. Effect of Proposed Changes:

The committee substitute would expand the Special Risk Class by including supervisors or command officers of emergency medical technicians and paramedics who are in the Special Risk Class.

The supervisory positions included in the committee substitute are part of the chain of command of this group of EMTs and paramedics, and the inclusion of these positions in the class is consistent with the chain of command currently recognized in the Special Risk Class for law enforcement officers, firefighters, and correctional officers, and their supervisors.

The committee substitute modifies the duties required of a firefighter to be eligible for the special risk class under s. 121.0515(2)(b), F.S. Specifically, the committee substitute includes fire prevention or firefighter training, or supervision of fire prevention or firefighter training, among those duties that are required for inclusion in the special risk class. Administrative support personnel whose primary duties are in accounting, purchasing, legal, and personnel, are still excluded under the committee substitute.

The act takes effect October 1, 2001.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the State Constitution, provides that counties and municipalities are not bound by general laws that require them to spend funds or to take an action that requires the

¹Ch. 99-392, L.O.F.

expenditure of funds unless the Legislature determines that such a law fulfills an important state interest and one of three other criteria are met. Under subsection (d) of the section, however, laws having an insignificant fiscal impact are exempt from the requirements of the section. The estimated cost of the committee substitute (\$244,807.07, as discussed below) is well below the measure of significance adopted as the policy of the Senate and the House of Representatives for evaluation of mandates. In a memorandum issued March 21, 1991, the term “insignificant” is defined as “. . . an amount not greater than the average statewide population for the applicable year times ten cents.” Therefore, as the committee substitute has an insignificant fiscal impact under this policy, it appears that it would be exempt from Article VII, s. 18 of the State Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate.

C. Government Sector Impact:

The following is an estimated impact of the cost to local government agencies:

Estimated Medical Service Providers Impacted by Special Risk for Command Staff					
Agency	Command Staff Impacted	# EMTs – Command	# Paramedics - Command	EMT Total Salary	Paramedic Total Salary
Alachua Co. Dept. of Fire Rescue	Yes	0	3	\$0.00	\$114,366.00
Broward Co. Fire Rescue	Yes	0	2	\$0.00	\$126,042.00
Collier Co. EMS	Yes	0	2	\$0.00	\$139,598.00
Dixie Co. EMS	Yes	1	1	\$24,660.00	\$25,200.00
Highlands Co. EMS	Yes	0	5	\$0.00	\$250,000.00
Indian River Dept. of Emergency Services	Yes	0	9	\$0.00	\$468,785.00
Lee Co. EMS	Yes	0	4	\$0.00	\$238,000.00
Manatee Co. EMS	Yes	0	4	\$0.00	\$194,085.00
Monroe Co. EMS	Yes	1	0	\$55,039.00	\$0.00
Okaloosa Co. EMS	Yes	0	3	\$0.00	\$178,880.00

Pinellas Co. EMS Authority Sunstar	Yes	0	2	\$0.00	\$140,000.00
Putnam Co. Emergency Rescue Service	Yes	0	1	\$0.00	\$45,526.00
St. Johns Co. Dept. of EMS	Yes	0	1	\$0.00	\$58,369.00
Suwannee Co. Dept. of EMS	Yes	2	2	\$43,000.00	\$78,000.00
Union County Dept. of EMS	Yes	1	0	\$18,000.00	\$0.00
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#EMTs Command Staff	5	EMT Command Staff Total		\$140,699.00	
# Paramedics Command Staff	39	Paramedic Command Staff Total		\$2,056,851.00	
Total Command Staff	44	Total Salaries Command Staff		\$2,197,550.00	
# of Agencies	15	Estimated Cost Statewide (salaries x.1114)		\$244,807.07	

There would be a cost to the employing agencies currently equal to 11.14 percent of all affected members' salaries based on the difference between Regular Class and Special Risk Class retirement contribution rates effective July 1, 2000. There are very few paramedics and EMTs employed by the state in correctional institutions and state hospitals – most of the positions are in local agencies. Accordingly, the supervisors and command officers of such members will be mostly in local agencies. The number of supervisors and command officers is unknown to DMS, but is expected to be considerably smaller than the paramedics and EMTs included in the Special Risk Class in 1999.

According to the Department of Management Services, there would be no immediate fiscal impact on the Florida Retirement System Trust Fund. If future valuations of the FRS indicated a significant difference in the demographics of the Special Risk Class due to the provisions of the committee substitute, an increase in the contribution rate certain employers will pay on behalf of their employees would be required in the future.

The number of additional members who are firefighters who will be included in the special risk class as a result of the modification of required duties of firefighters under the committee substitute is unknown.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.