

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number: S.255/H.622 Name of Bill: An Act Relating to Early Retirement Allowance

Agency/Dept: Vermont State Police Author of Bill Review: Captain David Notte

Date of Bill Review: January 2014 Status of Bill: (check one):

☒ Upon Introduction ☐ As passed by 1st body ☐ As passed by both bodies

Recommended Position:

☐ Support ☐ Oppose ☒ Remain Neutral ☐ Support with modifications identified in # 8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

The bill proposes an early retirement option without penalty to group F members who are Department of Public Safety (DPS) dispatchers or Vermont Veterans' Home (VVH) employees. Currently, DPS Dispatchers and VVH employees must have 30 years of service in their respective profession or have attained the age of 62 with at least 5 years of creditable service in their respective profession to collect their pension without penalty, which is 6% per year under the age of 62 provided the employee has attained the age of 55 with at least 5 years of creditable service.

I contacted Senator White, who is the sponsor of S.225, to discuss the bill, and she advised that she is waiting for the cost impact from the Treasurer's Office which would be a better time to discuss the bill.

2. Is there a need for this bill? *Please explain why or why not.*

In speaking with Elizabeth Tracy, DPS Dispatcher Trainer and Recruiter, she advised there is a great deal of stress a dispatcher experiences on a daily basis from taking calls for emergency services, which can eventually lead to "burnout", and in some instances, Post Traumatic Syndrome Disorder. Miss Tracy provided me with a 2012 study on PTSD and 911 Communicators conducted by the Northern Illinois University which supports this assertion. Miss Tracy sought input from dispatchers and dispatcher supervisors from the 4 Public Safety Answering Points (PSAP) around the state with strong support in favor of this bill from those who responded to her inquiry. Miss Tracy advised this would also serve as a recruiting and retention tool in that it provides an option for early retirement, which is an attractive benefit for new hires and incumbent members. Finally, Miss Tracy feels this would improve morale in the PSAPs as it will allow those dispatchers who have "burnout" an option to retire without penalty. Miss Tracy explained that a burnout dispatcher generally has a poor attitude, low morale and is less productive which effects other dispatchers in the PSAP as they work have to compensate for that dispatcher.

Miss Tracy advised she and two other dispatchers testified before the Senate Government Operations Committee and feels their testimony was well received. She further advised that no one from the VVH was there to testify and Senator Ayer questioned why VVH employees should be part of this bill.

I asked Miss Tracy what she thought the impact of the bill would have on the attrition rate and staffing levels of dispatchers given the high turnover rate and the arduous task of finding qualified dispatchers who make a career with DPS. She advised she feels it should not have a significant impact on attrition or staffing levels as this particular benefit makes it more attractive for dispatchers to stay on the job and would likely attract more

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applicants.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

I spoke with State Treasurer Beth Pearce who told me that she asked Buck Consultants, a consulting actuary, to determine the cost impact of this bill on the Vermont State Employees' Retirement System (VSERS). She advised there would be a potential increase cost of \$198,000.00 for FY 2015 and \$207,600.00 for FY 2016, based on the 73 dispatchers who would be affected by this bill. Miss Pearce advised that she has since been contacted by Steve Howard from the Vermont State Employees Association (VSEA) who told her that the bill was incorrectly drafted and explained the early retirement option should have been for dispatchers who have attained the age of 55 with a total of 20 years of state service and at least 15 years as a dispatcher; further, they would also be eligible to receive the 50% maximum of their average final compensation (AFC). Miss Pearce told me she asked the consulting actuary to determine the cost impact on VSERS based on this updated information and will provide me the same. Miss Pearce did tell me the cost impact would be significantly higher than what was initially proposed by VSEA/Dispatchers.

I spoke with Vermont State Police Captain Paul White (VSERS Board of Trustee member) and Sergeant Mike O'Neil (chair of the Vermont Trooper Association). Both Capt. White and Sgt. O'Neil support the idea of having an early retirement option for DPS dispatchers as they understand the daily stressors they endure with their jobs. However, they are concerned how the the additional costs to the VSERS will be covered, which is not addressed by the bill.

Capt. White feels the bill stands a better chance for passage if the impact on state government and the VSERS is cost neutral.

Sgt. O'Neil did advise the VSEA was the impetus in getting the bill introduced.

I spoke with Steve Howard (VSEA) who advised he drafted the bill based on what he thought the dispatchers and VVH employees were asking for. He advised he later learned that the dispatchers were also asking for the maximum benefit allowed of 50% of their average final compensation. He advised the Treasurer's Office actuary only calculated the 73 affected dispatchers' benefit based on their years of service, minus the penalty. He advised they did not calculate the 114 affected VVH employees who were part of the bill. He advised he has since requested the Treasurer's Office actuary to calculate the cost impact based on the dispatchers' maximum benefit of 50% of their average final compensation and the 114 VVH employees based on their years of service only, minus the penalty. He advised he will present the cost impact to both groups and advise them of their options. Mr. Howard agreed that the cost impact to the retirement system and State government may discourage the legislature from passing the bill, especially in a challenging financial climate.

I have made several requests through the Treasurer's Office to get the updated cost impact VSERS and state of VSEA's new proposal, and as of this writing (2/10/14), have not received those figures.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

This would affect all State employees who are members of VSERS due to the potential cost impact on the system and identifiable mechanism to cover those costs.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

NA

6. Other Stakeholders:

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6.1 Who else is likely to support the proposal and why?

DPS dispatchers and VVH employees because of the early retirement option.

6.2 Who else is likely to oppose the proposal and why?

The VSERS members who do not benefit from the bill because there is no mention of how it will be funded and it will strain an already taxed system.

7. Rationale for recommendation: *Justify recommendation stated above.*

The bill provides for an early retirement option for DPS dispatchers who have experienced unmanageable PTSD or burnout which could affect potentially lifesaving services provided to the public. The VVH employees will receive the same benefit if the bill is signed into law. It should be noted that the VSEA has introduced language that DPS dispatchers only will receive their maximum (50%) average final compensation.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

The DPS remains neutral on this bill but does agree with the concept of providing an early retirement option for DPS dispatchers due to the daily stressors associated with their job and the impact it has on them and the public. However, a funding mechanism must be identified to make it cost neutral on the VSERS and the state given the challenging financial climate. Since the VVH employees did not testify or provide any information to justify an early retirement based on their job duties, it is difficult to argue for an early retirement option for this group of employees.

Secretary/Commissioner has reviewed this document



Date: 2/11/14