



February 24, 2021

**SUMMARY OF BILL:** Authorizes the State Treasurer to inquire with local governments and volunteer fire departments to determine if they are interested in participating in a statewide Length of Service Award Program (LOSAP). Sets the Commissioner of Finance and Administration, the Chairs of the Finance Ways and Means Committees of the House of Representatives and of the Senate, and the State Treasurer as trustees over the LOSAP. Requires the State Treasurer to administer all necessary contracting, publicizing, investment selection, rule promulgation, and other decisions related to the LOSAP. If trustees of the LOSAP determine the LOSAP to be financially infeasible or not beneficial to eligible employees or volunteers, the trustees may suspend or terminate the LOSAP immediately. Requires all costs to be borne by participating eligible employers.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Due to the LOSAP being contingent on multiple unknown factors, and the willingness or capability of eligible employers to fund such a plan, the fiscal impact is estimated to be undeterminable at this time. However, this legislation may result in a permissive increase in local expenditures should local governments opt in to such program. Any net fiscal impact on state government is considered not significant.**

Assumptions:

- It is unknown if any number of eligible employers would be willing or able to bear the cost of implementing such a plan.
- In the event that a local government opts in to such program, the local government will experience a permissive increase in local expenditures; any such increase is dependent on multiple unknown factors and cannot be precisely determined.
- Furthermore, it is unknown if the State Treasurer would implement such a plan based on the inquiry, or if the trustees of the LOSAP would deem it financially feasible; however, should a LOSAP be implemented any potential increase in expenditures from the Department of the Treasury would be offset by a corresponding increase in revenue from local government or volunteer fire departments. Any net fiscal impact on state government would be considered not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive style with a large, prominent 'B' and 'S'.

Bojan Savic, Interim Executive Director

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