Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2015 Regular Session

Part I: Measure Information

Bill Request #: 842	2 R2					
Bill #: HB 308						
Bill Subject/Title: AN ACT relating to public employee incentive pay programs and making an appropriation therefor.						
Sponsor: Represen	tative Riggs					
Unit of Government: Office(s) Impacted:	X Charter County X Consolidated Local X Government Local Police, Sheriff's, and Professional and Volunteer Fire					
Requirement: X	Departments Mandatory Optional					
Effect on Powers & Duties:	X Modifies Existing X Adds New Eliminates Existing					

Part II: Purpose and Mechanics

HB 308 raises the annual supplemental payment to local governments for qualifying law enforcement officers and firefighters. It also provides a reimbursement to local governments to fully reimburse them for the required contributions to the employee pension system resulting from the supplemental increase. HB 308 also increases the annual allocation to volunteer fire departments.

Section 2 amends KRS 15.440 by expanding the types of agencies and the categories of police officers who are eligible to share in the distribution of funds from the Law Enforcement Foundation Program Fund ("the fund"). This is a state fund which receives finances from insurance premiums taxes.

Section 3 amends KRS 15.460 to increase the annual supplement from the fund available to eligible local governments for each qualified police officer from \$3,000 to \$4,000 in 2016 and to \$4,500 in 2018. Additionally, Section 3 also requires that each local unit of government shall receive an administrative expense reimbursement for each qualified police officer that it employs. The amount of this reimbursement is to be equal to 7.65%

of the total annual supplement received greater than \$3,100 for each qualified police officer employed by the local government. Section 3(5) sets forth various conditions for the receipt of the funds under this section.

Section 4 amends KRS 95A.250 to increase the annual supplement for qualified *professional* firefighters from \$3,000 to \$4,000 beginning in 2016. In 2018, that amount is to increase to \$4,500. Additionally, Section 4 also requires that each local unit of government shall receive an administrative expense reimbursement for each qualified firefighter that it employs. The amount of this reimbursement is to be equal to 7.65% of the total annual supplement received greater than \$3,100 for each qualified firefighter employed by the local government.

Section 5 amends KRS 95A.262 to increase the annual allocation to volunteer fire departments from \$8,250 to \$11,000 beginning in 2016. That amount is to increase to \$12,000 in 2018.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

For an understanding of the impact of this bill on police agencies and fire departments (both professional and volunteer), the **Fraternal Order of Police** and the **Kentucky Firefighters Association** were consulted.

Each organization stated the expected impact of this bill will be very positively significant for their respective constituencies. In each instance, the organizations cited to potentially improved recruitment and retention efforts. The Firefighters Association also pointed to an improved opportunity to fund training.

Data Sourc	e (s):	<u>Kentucky</u>	Fraternal Order of Po	lice; Kentucky	Firefighters Associated	ciation _
Preparer: _	Josh W	. Nacey	Reviewer:	MCY	Date:	2/11/15