

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER **1187**

HOUSE BILL NUMBER **246**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to Commercial Vehicle Enforcement Officers.**

SPONSOR **Representative Nelson**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Commercial Vehicle Enforcement Division**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		\$1,742,898	\$1,742,898	\$1,742,898
NET EFFECT		(\$1,742,898)	(\$1,742,898)	(\$1,742,898)

() indicates a decrease/negative

MEASURE'S PURPOSE: The purpose of this measure is to raise the compensation of Commercial Vehicle Enforcement (CVE) Officers to be equivalent to Kentucky State Police (KSP) Officer pay for the same rank, grade, and position.

PROVISIONS/MECHANICS: Section 1 of HB 246 amends KRS 16.191 to provide that CVE Officers shall receive equivalent pay as their KSP Officer counterparts based on grade, rank, and position.

FISCAL EXPLANATION: KSP has indicated that the provisions of HB 246 would have an annual impact of \$1,742,898 in road fund dollars. This estimate includes the raw salary increases, fringe benefits, and Kentucky Employee Retirement System (KERS) contributions. While this was stated to be an annual cost to KSP, there are various factors that may increase this annual estimate moving forward. Specifically, an increase in the Actuarial Required Contribution (ARC) for these Officers would result in increased future costs that may be above this estimate. Likewise, a reduction in the ARC would yield a decrease in annual expenditures by KSP. Too, any salary increases that may take place in the future will increase this annual cost. Lastly, an increase in the total number of CVE Officers will yield a higher annual costs.

It is impossible to know these future occurrences, but the above impact provides an idea of what costs may be for KSP. The further out the estimate is carried, the less likely the estimate is to be accurate; however, it is plausible to assume that the costs will increase over time as opposed to decrease. Therefore, the \$1,742,898 is likely to be on the low end of an estimated impact.

DATA SOURCE(S): Kentucky State Police

PREPARER: Zach Ireland NOTE NUMBER: 42 REVIEW: JRS DATE: 1/21/2016