

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

MEASURE

2016 BR NUMBER **0357**

HOUSE BILL NUMBER **525**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to wages.**

SPONSOR **Representative Nelson**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Kentucky Transportation Cabinet; General Administration and Support, Aviation, Highways, Public Transportation, Revenue Sharing, Vehicle Regulation; Other State Agencies**

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		Indeterminable	Indeterminable	Indeterminable
NET EFFECT		(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

MEASURE'S PURPOSE: The measure requires the Kentucky Transportation Cabinet (KYTC) and Personnel Cabinet to develop and implement procedures to ensure KYTC salary increases for specific job classifications are applied consistently statewide.

PROVISIONS/MECHANICS:

Section 1 amends KRS 174.040 to require the Secretary of the Transportation Cabinet, in coordination with the Secretary of the Personnel Cabinet, to develop a procedure to ensure fairness and equality of pay in classified service positions in every county of the Commonwealth. The procedure requires that any increase in pay given to a specific classification of employees in one county also be given to the same classification of employees statewide, no later than 30 days after the effective date of the first pay increase. If the Cabinet fails to award a pay increase within the 30 days, then employees not awarded a pay increase are due back pay dated back to the effective date of the original pay increase.

Section 2 amends KRS 18A.110 to require the Secretary of the Personnel Cabinet, in

consultation with the secretary of the Transportation Cabinet, to promulgate administrative regulations to provide for the procedure outlined in Section 1.

FISCAL EXPLANATION:

The fiscal impact of this measure is indeterminable. The effect of this measure is dependent on future administrative decisions made by the Transportation Cabinet and Personnel Cabinet regarding pay increases.

Currently, pursuant to 101 KAR 2:034(1), if an employee is hired at a rate higher than another employee in the same job classification in the same work county, and if the employees' education and experience are similar, then the existing employee's salary must be adjusted up to that of the new hire.

Under HB 525, any increase in pay for Transportation Cabinet employees in a specific job classification would be provided for all employees in that job classification statewide. If no increases were provided to KYTC employees, or if increases impacted a job classification with few employees, then the impact of the measure could be minimal. However, if increases impact a job classification with many employees, or if more than a few job classifications were provided increases, then costs could be substantial.

Currently, wages and salaries in the Transportation Cabinet are paid from a mix of fund sources: about 70% from Road Fund, 20% from Federal Funds, and 10% from Restricted Funds.

DATA SOURCE(S): Kentucky Transportation Cabinet

PREPARER: Jeff Schnobrich and Justin Perry NOTE NUMBER: 138 REVIEW: JRS DATE: 3/11/2016