

**Local Mandate Fiscal Impact Estimate
Kentucky Legislative Research Commission
2016 Regular Session**

Part I: Measure Information

Bill Request #: 1947

Bill #: SB 199

Bill Subject/Title: AN ACT relating to the law enforcement and firefighters foundation programs and making an appropriation therefor.

Sponsor: Senator Danny W Carroll

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local
Government

Office(s) Impacted: Law Enforcement and firefighters.

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

Related to police officers:

Section 1 expands the General Assembly’s intention to strengthen and upgrade local law enforcement to include the Department of State Police.

Section 2 adds or expands the following definitions:

SB 199 defines “council” to mean the Kentucky Law Enforcement Council.

SB 199 expands the definition of “Police Officer” to include any sheriff or full-time deputy sheriff providing court security or appointed under KRS 70.030, the Department of State Police, and an employee of a state agency or an employee of a local school district who is responsible for the prevention or detection of crime and the enforcement of the general criminal laws of the state.

SB 199 defines “unit of government” as any city, county, combination of cities and counties, public university, state agency, local school district, or county sheriff’s office of the Commonwealth.

Section 3 amends or expands the requirements for participation in the Law Enforcement Foundation Program Fund (LEFPF) to include:

SB 199 requires all police officers, regardless of date of hire, to have a high school diploma or equivalent, provided that each police officer employed prior to his or her department’s participation in the LEFPF shall be deemed to have met the education requirements.

SB 199 requires police officer, regardless of date of hire, to compete a basic training course within one year of the date of employment provided that each police officer employed prior to his or her department’s participation in the LEFPF shall be deemed to have met the training requirements.

SB 199 requires police officers, regardless of date of hire, to complete each calendar year an in-service training appropriate to the officer’s rank and responsibility.

SB 199 requires all police officers or police departments to comply with the transmission of data to the centralized criminal history record information system and to comply with all rules and regulations needed to facilitate the administration of the LEFPF.

SB 199 allows sheriff deputies to participate in the LEFPF even if the sheriff is not a participant.

Section 4:

SB 199 increases the annual supplement available to qualified police officers from the LEFPF from \$3,000 to \$4,000 beginning July 1, 2017.

SB 199 provides that the local government shall be fully reimbursed for required contributions to the employee pension plan due to the supplemental pay increase.

SB 199 provides for a total reimbursement equal to 7.65% of the total annual supplement received greater than \$3,100 for each qualified police officer to partially cover the cost of administering the payments from the LEFPF and subject to a \$525,000 cap for each fiscal year. However, if there are insufficient funds for total reimbursement, then the amount shall be prorated to each eligible unit of local government.

SB 199 affirms that the supplement pay is in addition to the police officer's regular salary.

SB 199 forbids

- the Department of Criminal Justice Training, the Justice and Public Safety Cabinet, or the council to investigate, judge, or exercise any control or jurisdiction regarding disciplinary procedures for its officers.
- The creation of a private right of action for any police officer regarding the agency's participation in the LEFPF
- Termination of an agency's participation in the LEFPF due to any cause of action brought by a police officer against the unit of government,
- Prevention of the adoption, amendment, or repeal of any laws related to disciplinary procedures of a unit of government's police officers.

Related to professional firefighters:

Section 5:

SB 199 increases the annual supplement available to qualified professional firefighters from the Firefighter Foundation Program Fund (FFPF) from \$3,000 to \$4,000 beginning July 1, 2017.

SB 199 provides for a total reimbursement equal to 7.65% of the total annual supplement received greater than \$3,100 for each qualified professional firefighter to partially cover the cost of administering the payments from the FFPF and subject to a \$250,000 cap for each fiscal year. However, if there are insufficient funds for total reimbursement, then the amount shall be prorated to each eligible unit of local government.

Section 6:

SB 199 increases the amount to be paid to volunteer fire departments from the Commission on Fire Protection Personnel Standards and Education from \$8,250 to \$11,000, starting July 1, 2017.

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

The fiscal impact of SB 199 on local government could be minimal to moderate regarding law enforcement and firefighter supplemental pay. It would depend on the size of the local police and fire departments, the number of police officers and firefighters employed, and the size of their respective operating budgets.

Supplemental pay is not included when calculating hourly wage rates for scheduled overtime and thus would not affect overtime pay rates.

However, supplemental pay **must be included when calculating hourly wage rates for unscheduled overtime**, thus increasing the hourly wage rate for overtime pay resulting in minimal to moderate increases in expenditures for local governments. Overtime is calculated at 150% of base pay. With the supplemental pay entering the equation, the basic pay rate per hour increases, and thus overtime liability to the local government would increase proportionately. Additionally, the employer is required to pay 6.2 % Social Security Tax and 1.45% Medicare tax on the additional pay. There may be a minor increase on state and federal unemployment taxes that are also required to be paid by the employer.

Conversely, there is a positive impact to the individual police officer and firefighter due to increased base pay and increased overtime pay. The allotment to individual volunteer departments provides an opportunity to fund additional training.

For additional 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.

Data Source(s): Identical to RS 16 HB 419, LRC Staff, Fraternal Order of Police, Kentucky Firefighters Association, Franklin County KY Treasurer, City of Frankfort KY Finance Director

Preparer: Wendell F. Butler **Reviewer:** JWN **Date:** 2/23/16