

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

MEASURE

2016 BR NUMBER **1872**

SENATE BILL NUMBER **246/GA**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to the Department of Kentucky State Police and making an appropriation therefor.**

SPONSOR **Senator McDaniel**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **State Police**

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		\$5,079,900	\$7,530,300	Indeterminable
NET EFFECT		(\$5,079,900)	(\$7,530,300)	(Indeterminable)

() indicates a decrease/negative

MEASURE'S PURPOSE: The purpose of this measure is to restructure the Kentucky State Police's current base salary schedule to include automatic salary increases based on years of service and rank. In addition, there are two current ranks of recognition in the Department, Trooper First Class and Master Trooper. SB 246 GA includes these ranks as eligible for salary increases. Furthermore, the legislation provides that the Department may recoup training costs if an officer leaves the Kentucky State Police within three years of completing basic training. In addition, disabled officers on the regular payroll are excluded from being eligible for salary increments and increases based on rank or years of service unless the individual returns to full active duty.

PROVISIONS/MECHANICS:

Section 1 amends KRS 16.010 to reorder definitions in alphabetical order and provide a definition for Cadet Trooper.

Section 2 establishes that compensation shall be based on years of service and rank. This section sets forth the requirements for each rank to be considered for promotion based on years of

service.

Section 3 amends the requirement for the Department to conduct a salary survey of surrounding states. In addition, this section posits that if an officer separates employment with the Department three years after completing basic training, then the Department may recoup costs associated with training the officer.

Section 4 provides that compensation paid to officers that have suffered an injury or succumbed to disease as a direct result of their job performance may elect to be retained on the regular payroll of the Department. However, prior to the effective date of the legislation, compensation paid to the officer by the Department shall be adjusted and maintained at the officer's regular rate of pay based on the officer's rank and tenure with the Department. This includes annual increments, salary adjustments, and other benefits of employment.

Subsequent to the effective date of the legislation, the compensation paid to disabled officers is maintained at the officer's regular rate of pay based on the officer's rank and tenure with the Department on the date that he or she elects to be retained on the regular payroll of the Department. The officer shall not receive any annual increments or increases based on years of service or rank during the time that they are deemed to not be fully active officers.

Lastly, this section stipulates that if a disabled officer returns to full active duty, and the base salary he or she qualifies for at that time exceeds the base salary he or she was receiving, the officer shall receive the base salary that he or she qualifies for according to the proposed salary schedules on the first day of the month following the month that he or she returns to full active duty.

Section 5 amends KRS 16.198 to allow Trooper R Class officers to serve more than five years.

Section 6 amends KRS 18A.110 to provide that KRS 16.010 to 16.199 shall prevail if there is conflict with the provisions of KRS 18A.110

Section 7 amends KRS 64.640 to conform with the previous amendments to statutes. The Department's salary schedule is no longer subject to the classifications set by the Personnel Cabinet and approved by executive order.

FISCAL EXPLANATION: To ascertain a cost estimate, data supplied from Kentucky State Police was utilized. Specifically, a snapshot of the Department's force taken in January 2016, broken down by rank and years of service, as well as current baseline salaries for each officer, enabled staff to make an estimate of the cost of this legislation.

For this estimate, the years of service for all officers was increased forward by the amount of time until implementation of the bill. This accounted for the increased years of service that all officers will earn, suggesting that they do not depart from the agency.

Because the salary schedule is primarily based on years of service and rank, it is assumed that each officer would meet the required years of service at different times; therefore, each officer

was manually accounted for. *[For example, if a Sergeant had 10.57 years of experience at the beginning of FY 2017, then it was assumed that the Sergeant would receive a salary increase at 11 years of service sometime during FY 2017. The calculation would be the \$49,918 for .43 years and \$50,911 for .57 years to finish out all of FY 2017. The ultimate cost of that Sergeant's salary to the Department would be \$50,484.01 for FY 2017.]* The difference between this new salary and the current salary is used to arrive at the total number of new expenses to the Department. Subsequent to this, the new salary expenses were run through pension and FICA contributions to account for the ultimate cost to the agency. This does not include health costs as those are variable factors that staff does not have access to. These calculations were run for all 868 officers.

It should be noted that the estimate provided does not take into account any additional personnel, such as Cadets. In addition, no personnel were assumed to retire over the biennium; therefore, the estimate should be considered conservative as any personnel that retire generally have higher salaries than the Cadets that will ultimately replace them.

The ultimate cost is estimated to be \$5,079,900 in FY 2017 and \$7,530,300 in FY 2018. This represents a mixture of General Fund and Road Funds.

DATA SOURCE(S): Kentucky State Police

PREPARER: Zach Ireland NOTE NUMBER: 159 REVIEW: JRS DATE: 3/3/2016