

SB 31 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 31 requires all police officers, regardless of date of hire, to have a high school diploma or equivalent, except that each police officer employed prior to the officer’s department’s participation in the LEFPF shall be deemed to have met the education requirements.

SB 31 requires police officer, regardless of date of hire, to complete a basic training course of 928 or a different number of hours as provided by the Kentucky Law Enforcement Council within one year of the date of employment except that each police officer employed prior to the officer’s department’s participation in the LEFPF shall be deemed to have met the training requirements.

SB 31 requires police officers, regardless of date of hire, to complete each calendar year an in-service training of forty hours which may not be changed by the KLEC appropriate to the officer’s rank and responsibility.

SB 31 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 31 allows sheriff deputies to participate in the LEFPF even if the sheriff is not a participant.

Section 4:

SB 31 increases the annual supplement available to qualified police officers from the LEFPF from \$3,000 to \$4,000 beginning July 1, 2018.

SB 31 provides that the local government shall be fully reimbursed for required contributions to the employee pension plan due to the supplemental pay increase.

SB 31 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 31 affirms that the supplement pay is in addition to the police officer’s regular salary.

SB 31 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; and
- 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 31 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, 2018.

SB 31 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 31 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, 2018.

SB 31 SCS retains the major provisions of the measure as introduced and makes the following changes in the bill:

Under Section 2, the definition of a police officer is clarified to include the various positions within the Department of Kentucky State Police, and expanded to include other state law enforcement officers in other agencies.

Under Section 4, in addition to the annual supplemental pay and the employer's contribution on the supplement to the officer's pension plan, each unit of government shall receive an administrative expense reimbursement equal to 7.65% of the total annual supplement received greater than \$3,100 for each police officer it employs. The total amount of reimbursement shall not exceed \$525,000.

Under Section 7, language confirming the Law Enforcement Foundation Program fund to the provisions of SB 31.

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

The fiscal impact of SB 31 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.

The amendments to Sections 2 and 4 under SB 31 SCS would benefit the local governments. The 7.5% administrative expense reimbursement is the equivalent of the 6.2% Social Security Tax and the 1.45% Medicare Tax. However, this would only be applicable on supplemental pay amounts over \$3,100 originating from the Kentucky Law Enforcement Foundation Program fund; total administrative expense reimbursement to each local government shall not exceed \$525,000 for police officers and \$250,000 for professional fire fighters.

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

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 2/21/17