Local Government Mandate Statement Kentucky Legislative Research Commission 2019 Regular Session

Part I: Measure Information

Bill Request #: 1199
Bill #: SB 123
Document ID #: 2212
Bill Subject/Title: AN ACT relating to the Law Enforcement Foundatin Program Fund
Sponsor: Senator Danny W Carroll
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government
Office(s) Impacted:
Requirement: X Mandatory Optional
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 123 expands the definition of local officer to include a detective employed by the Jefferson County Attorney's Office. These detectives would be eligible for the Law Enforcement Foundation Program (LEFP) and thus, must meet minimum education and training levels (except those employed prior to the enactment of the LEFP). The Jefferson County Attorney's Office would also qualify for the \$4,000 supplemental pay for each qualifying officer and a reimbursable amount to include additional employer contributions to any retirement system as a result of the supplemental pay. Additionally, and only if funds are available, the local government shall receive reimbursement equaling 7.65 percent of the total annual supplement for amounts greater than \$3,100 for each qualifying officer; the total amount distributed not exceeding \$525,000 for each fiscal year. If there are insufficient funds to provide for full reimbursement, the amount shall be distributed equally among the governmental units.

In addition to the above payments, the local government shall also receive any fringe benefit amounts associated with the \$4,000 supplement, but only to the extent of retirement plan contributions and the federal insurance contributions act tax.

The fiscal impact of SB 90 GA on Jefferson County could be minimal to moderate. It would depend on the number of detectives employed by the County Attorney's Office, and the size of their operating budget.

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 percent 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 percent Social Security Tax and 1.45 percent 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 detective due to increased base pay and increased overtime pay.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II refers to SB 123 as introduced. There are no prior versions of this bill.

Data Source(s): LRC Staff

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 2/19/19