



\*If there are insufficient funds to provide for full reimbursement, the amount shall be distributed equally among the governmental units.

HB 339 further amends KRS 158.4414 to extend participation in the KLEFP Fund to qualifying officers appointed by the Secretary of the Justice and Public Safety Cabinet and performing duties similar to a school resource officer.

**The fiscal impact of HB 339 on local government could be minimal to moderate.** It would depend on the size of the unit of local government, the number of qualifying officers employed, and the size of the operating budget. The funding for the agency will increase from \$4,000 to \$6,000 for each qualifying officer, and would include a reimbursement for Social Security Tax (6.2%) and Medicare Tax (1.45%).

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. If there are insufficient funds to provide for full reimbursement, the employer would be liable for any portion not reimbursed.

It is expected that supplemental pay would result in improved recruitment and retention rates for local departments. Additionally, the allotment to individual departments may provide an opportunity to fund additional training.

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

Part II refers to the bill as introduced.

**Data Source(s):** LRC Staff

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