

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0044-03  
Bill No.: SB 363  
Subject: Boats and Watercraft; Water Patrol  
Type: Original  
Date: February 5, 2007

Bill Summary: This proposal limits certain types of vessels from being operated within 300 feet of docks and piers and allows the commissioner of the Water Patrol to establish an equitable pay plan.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Costs and transfers-in net to zero.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Water Patrol Fund	(\$1,207,851)	(\$1,244,086)	(\$1,281,410)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$1,207,851)</b>	<b>(\$1,244,086)</b>	<b>(\$1,281,410)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Water Patrol** state this bill, along with SB 778 from 2006, were designed to reduce the high turnover rate of Water Patrol and radio/telecommunications officers and to fund additional equipment necessary to provide adequate law enforcement. A reduction in the turnover rate will also greatly reduce the training costs associated with new officers and will result in more officers available for calls-for-service.

The Water Patrol states that according to the Department of Revenue, the total projected monies coming into the Water Patrol Fund from registration renewals (does not include any newly purchased boats) are;

\$2,444,820 in FY 2007;  
\$2,806,430 in FY 2008; and  
\$3,090,395 in FY 2009.

A total of \$714,597 will be transferred from the Water Patrol Fund to General Revenue prior to the end of the current fiscal year, leaving a approximate balance of \$1,730,223 (\$2,444,820 - \$714,597) to begin fiscal year 2008.

Officials from the Water Patrol stated that the Merit System ranges were not adequate to raise the officer's pay to the level of the Highway Patrol. Therefore, it is necessary to bring the Water Patrol out of the Merit System and utilize the funding established through SB 778 in 2006 to fund the pay increases.

The officer pay increases are anticipated to cost \$996,988 Personal Service to the General Revenue fund in FY 2008. The Water Patrol estimated \$1,026,897 in FY 2009 and \$1,057,705 in FY 2010. The Water Patrol utilized a fringe benefit rate of 21.15% to accommodate additional FICA taxes, additional defined benefit contributions and other benefits. Some expenses that are utilized to determine the estimated fringe benefit factor would not be applicable to raising the pay of an existing employee.

Officials from the **Office of Administration - Division of Personnel (COA)** state currently the Missouri State Water Patrol is subject to the provisions of the Missouri Merit System under the State Personnel Law, Chapter 36 RSMo, for the selection, appointment, classification, compensation, suspension, separation and appeal of employees. This proposed legislation would provide the Water Patrol with the ability to establish an equitable pay plan for uniformed law enforcement and telecommunications employees beyond and separate from the pay plan provided for other agencies covered by the Uniform Classification and Pay System.

ASSUMPTION (continued)

COA states this estimate assumes existing Water Patrol Officers would be paid from the Missouri State Highway Patrol pay grid, which is a longevity based pay plan. In doing so, we assume the lengths of service of employees in both agencies are relatively equal. Therefore, the estimate consists of the average salary by rank of current Water Patrol Officers, compared to the average salary by rank of current MSHP Officers. We calculated the difference between average salaries and multiplied by the number of WP officers. This estimate includes a similarly calculated pay increase for Water Patrol Radio personnel, but does not include a pay increase for any non-uniformed staff. COA states there are 102 FTE in the uniformed Water Patrol and the 9 FTE in the Radio/Telecommunication section, who would be affected by this legislation.

The average salary paid to the Water Patrol is as follows:

Radio/Tele Officer-----	\$33,020
Radio/Tele Supervisor-----	\$41,274
Radio/Tele Coordinator-----	\$44,472
Recruit-----	\$31,500
Officer-----	\$41,261
Corporal-----	\$49,500
Sergeant-----	\$55,318
Lieutenant-five are to be appointed by Feb 07	
Captain (Law Enforcement Manager-Band 2)----	\$67,900
Major (Law Enforcement Manager-Band 3)-----	\$72,624
Lt Colonel (Law Enforcement Manager-Band 3)--	\$78,480
Colonel-----	\$86,592

The average salary paid to the Highway Patrol is as follows:

Radio Personnel-----	\$38,143
Lead Radio-----	\$45,292
Asst Chief Tele Engineer-----	\$56,320
Recruit-----	\$35,904
Officer 1st class-----	\$47,875
Corporal-----	\$57,897
Sergeant-----	\$66,538
Lieutenant-----	\$77,420
Captain-----	\$84,822
Major-----	\$91,609
Lt Colonel-----	\$92,400
Colonel-----	\$97,368

ASSUMPTION (continued)

The long range implications of the proposed legislation are that the pay rates of Water Patrol Officers would increase disproportionately to that of other state employees. A separate pay plan within the Uniform Classification and Pay System would have to be established in effect mirroring the pay plan of the Missouri State Highway Patrol's longevity based system. As a possible result other state agencies, particularly those with revenue sources other than General Revenue, would attempt to establish separate pay plans within the uniform classification and pay system thereby overriding the intent of a common pay system for most state employees.

Based on the differences in average annual salary, it is estimated that the Missouri State Water Patrol will increase salaries for uniformed officers by \$749,866 the 1st year, equating to an 18.9% pay increase. The total estimated increases for Radio Personnel \$43,453, equating to 15.6% of current salaries.

With the emergency clause, the COA assumes a personal service and fringe benefit cost of \$1,152,375 in FY 2008, \$1,424,335 in FY 2009 and \$1,467,065 in FY 2010. COA assumes the cost of the increase in salaries will be paid from the General Revenue Fund.

With the emergency clause, **Oversight** will assume twelve months of impact for FY 2008. The Water Patrol included the decision item "Officer Retention and Parity" in their budget submitted for FY 2008. This however has not been included in the Governor's Budget for that same year. Oversight will utilize the estimates from the Water Patrol and assume an annual transfer will be made from the Water Patrol fund to the General Revenue Fund to pay for these increases.

<u>FISCAL IMPACT - State Government</u>	FY 2008	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Transfer In - from Water Patrol Fund</u>	\$1,207,851	\$1,244,086	\$1,281,410
<u>Costs - Water Patrol</u>			
Personal Service	(\$996,988)	(\$1,026,897)	(\$1,057,705)
Fringe Benefits	(\$210,863)	(\$217,189)	(\$223,705)
<u>Total Costs - Water Patrol</u>	<u>(\$1,207,851)</u>	<u>(\$1,244,086)</u>	<u>(\$1,281,410)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - State Government  
 (continued)

**WATER PATROL FUND**

<u>Transfer Out - to General Revenue Fund</u>	<u>(\$1,207,851)</u>	<u>(\$1,224,086)</u>	<u>(\$1,281,410)</u>
<b>ESTIMATED NET EFFECT TO THE WATER PATROL FUND</b>	<b><u>(\$1,207,851)</u></b>	<b><u>(\$1,224,086)</u></b>	<b><u>(\$1,281,410)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2008	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

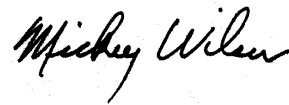
This proposal provides that the commissioner of the water patrol shall establish, with the advice of the director of personnel, an equitable pay plan for the members of the water patrol and radio personnel taking into consideration ranks and length of service.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Public Safety  
Office of Administration - Personnel Division

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent 'M' and 'W'.

Mickey Wilson, CPA  
Director  
February 5, 2007