

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1134-03
Bill No.: HCS for HB 461
Subject: Public Safety Department; Water Patrol
Type: Original
Date: April 6, 2007

Bill Summary: This proposal modifies certain provisions relating to the Missouri State Water Patrol.

FISCAL SUMMARY

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

* Costs and transfers-in net to zero.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Water Patrol Fund	(\$1,006,542)	(\$1,244,086)	(\$1,281,410)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$1,006,542)	(\$1,244,086)	(\$1,281,410)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

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

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

☒ 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).

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** state that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of Administration - Division of Personnel (COA)** state the bill removes the Missouri State Water Patrol from the provisions of the Missouri Merit System and removes uniformed members and radio/telecommunications staff from the Uniform Classification and Pay provisions of the State Personnel Law. As such, the Missouri State Water Patrol would establish their own processes for the selection, appointment, classification, compensation, suspension and separation of uniformed employees.

Within Section 306.229, the Water Patrol shall consider rank and length of service in establishing a pay plan equitable with that of three police departments that employ a similar number of patrol officers in the State. There will be no oversight by the Department of Public Safety or the Division of Personnel in the Office of Administration. The Water Patrol would have the authority to request a pay plan based on the three highest paid police departments in the State of Missouri that employ a similar number of Patrol Officers in the State. Under such a plan the performance of employees is not a consideration as to whether or not the employee receives a pay increase. For the vast majority of state employees longevity (seniority) is not a consideration in establishing rates of pay.

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

ASSUMPTION (continued)

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 and 12 FTE in the Clerical and Administrative section who would be affected by this legislation.

3. 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

4. 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

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

ASSUMPTION (continued)

15.6% of current salaries. The changes in salaries for Clerical and Administration is unknown at this time.

COA assumes a personal service cost of \$793,319 in FY 2008, \$980,542 in FY 2009 and \$1,009,958 in FY 2010. COA also assumes a corresponding fringe benefit cost of \$359,056 in FY 2008, \$443,793 in FY 2009 and \$457,107 in FY 2010. COA assumes the cost of the increase in salaries will be paid from the General Revenue Fund.

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.

ASSUMPTION (continued)

The Water Patrol also assumes there would be a small savings in Federal Funding from the U.S. Coast Guard Funds.

Oversight will assume ten 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 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Transfer In</u> - from Water Patrol Fund	\$1,006,542	\$1,244,086	\$1,281,410
<u>Costs</u> - Water Patrol			
Personal Service	(\$830,823)	(\$1,026,897)	(\$1,057,705)
Fringe Benefits	(\$175,719)	(\$217,189)	(\$223,705)
<u>Total Costs</u> - Water Patrol	<u>(\$1,006,542)</u>	<u>(\$1,244,086)</u>	<u>(\$1,281,410)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
WATER PATROL FUND			
<u>Transfer Out</u> - to General Revenue Fund	<u>(\$1,006,542)</u>	<u>(\$1,224,086)</u>	<u>(\$1,281,410)</u>
ESTIMATED NET EFFECT TO THE WATER PATROL FUND	<u>(\$1,006,542)</u>	<u>(\$1,224,086)</u>	<u>(\$1,281,410)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill exempts the State Water Patrol from the merit system and specifies certain duties for the Commissioner of the State Water Patrol including:

- (1) Establishing a pay plan, rules for instruction and discipline, and duty hours;
- (2) Dividing the state into districts and assigning patrol members to the districts; and
- (3) Establishing, by general order, promotional procedures and increasing, by promotion, the rank of officers after at least one year of service.

The Lieutenant Colonel of the State Highway Patrol will assume the duties of the commissioner in his or her absence or upon disability. If the commissioner and the lieutenant colonel are disabled, the Governor may designate a major as the acting commissioner.

All patrol officers and radio personnel are required to be 21 years of age or older, be United States and Missouri citizens, have certain educational and physical requirements, and never been convicted of a felony.

The bill also establishes a disciplinary procedure for members of the patrol who have completed one year of probationary service. After a formal charge has been filed by or before the commissioner and a hearing before a six-member patrol board, a member may be disciplined. The hearing must be held within 30 days after the filing of the charge, and the board must report its findings, vote result, and recommendation of any disciplinary action. The commissioner makes the final decision on the disciplinary action to be taken.

Any complaint filed against a member will be provided to him or her unless the commissioner decides to postpone the notification because disclosure would compromise an investigation of the

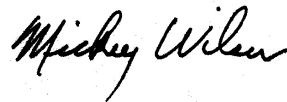
FISCAL DESCRIPTION (continued)

complaint. Unless waived in writing by the member, he or she will not be interrogated until 48 hours after receiving a complaint and is entitled to have counsel present during questioning. The member is entitled to a copy of the investigation report and to present a written response prior to an initial recommendation of discipline. The commissioner may withhold the investigation report if disclosure endangers any person.

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

SOURCES OF INFORMATION

Department of Public Safety
Office of Administration - Personnel Division
Office of the Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 6, 2007