

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3853-01
Bill No.: SB 874
Subject: Highway Patrol; Appropriations
Type: Original
Date: January 11, 2008

Bill Summary: This proposal requires the General Assembly to separately appropriate funds for the Highway Patrol uniform allowance.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| General Revenue | \$0 | \$0 | (\$2,594) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | (\$2,594) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|-------------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| Highway Funds | \$0 | \$0 | (\$35,849) |
| Gaming Commission | \$0 | \$0 | (\$2,668) |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | (\$38,517) |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| 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 2009 | FY 2010 | FY 2011 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Budget and Planning, Missouri Senate** and the **Missouri House of Representative** each assume the proposal will not fiscally impact their respective agencies.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state the proposed legislation would require the General Assembly to separately appropriate funds for the Highway Patrol uniform allowance. The Budget and Procurement Division of the Highway Patrol assumes the appropriation will be established at an amount of \$600 per uniformed employee, and that this money will not be new money but will instead be reallocated from elsewhere in the Patrol's budget. Therefore, there will be no initial cost to set this up in FY '10. The first increase will come in FY '11, and that is when the first new costs will be realized.

There are currently 1,696 employees receiving uniform allowance (1,479 from Highway funds, 107 from General Revenue, and 110 from Gaming). This would equate to \$1,017,600 in uniform allowance in the first year (1,696 employees x \$600 each), which would need to be reallocated from elsewhere in the Patrol's budget. Since there is no way to predict what the Consumer Price Index will be in future years, it is impossible to project the cost of the annual increases. However, to get an idea, the most recent change in the CPI for the region Missouri is included in was 2.44%, according to the Bureau of Labor Statistics' website. Over the past 5 years, the average increase has been 4.04%. Based on current employee counts, this would have amounted to an average of approximately \$41,111 in increases per year (\$600 x 1,696 employees x 4.04%). This fiscal note is being prepared on that 5 year average.

Total FTE count:

| | | |
|------------------------|--------|-------------------------------|
| Highway funded | 87.20% | (1,479/1696) = \$35,849 |
| General Revenue funded | 6.31% | (107/1696) = \$ 2,594 |
| Gaming funded | 6.49% | (110/1696) = <u>\$ 2,668</u> |
| | | \$41,111 |

Increases are estimated to be \$41,111 per year, beginning in FY '11. Therefore the cost to the Highway fund will be \$35,849 (\$41,111 x 87.20%), the cost to General Revenue will be \$2,594 (\$41,111 x 6.31%), and the cost to Gaming will be \$2,668 (\$41,111 x 6.49%).

| <u>FISCAL IMPACT - State Government</u> | FY 2009 (10 Mo.) | FY 2010 | FY 2011 |
|---|---------------------|-------------------|--------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Costs</u> - Missouri Highway Patrol (MHP) increase in MHP uniform allowance | <u>\$0</u> | <u>\$0</u> | <u>(\$2,594)</u> |
| ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND | <u>\$0</u> | <u>\$0</u> | <u>(\$2,594)</u> |
| HIGHWAY FUNDS | | | |
| <u>Costs</u> - Missouri Highway Patrol (MHP) increase in MHP uniform allowance | <u>\$0</u> | <u>\$0</u> | <u>(\$35,849)</u> |
| ESTIMATED NET EFFECT TO HIGHWAY FUNDS | <u>\$0</u> | <u>\$0</u> | <u>(\$35,849)</u> |
| GAMING COMMISSION FUND | | | |
| <u>Costs</u> - Missouri Highway Patrol (MHP) increase in MHP uniform allowance | <u>\$0</u> | <u>\$0</u> | <u>(\$2,668)</u> |
| ESTIMATED NET EFFECT TO THE GAMING COMMISSION FUND | <u>\$0</u> | <u>\$0</u> | <u>(\$2,668)</u> |
| | | | |
| <u>FISCAL IMPACT - Local Government</u> | FY 2009 (10 Mo.) | FY 2010 | FY 2011 |
| | <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.

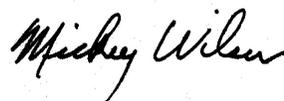
FISCAL DESCRIPTION

Beginning in fiscal year 2010, the General Assembly shall separately appropriate funds for the Highway Patrol uniform allowance and designate the amount for such allowance. The amount for the uniform allowance shall be no less than \$600 and shall be adjusted each succeeding fiscal year by no less than the rate of the Consumer Price Index.

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 - Missouri Highway Patrol
Office of Administration - Budget and Planning
Missouri Senate
Missouri House of Representatives



Mickey Wilson, CPA
Director
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