

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 302** HLS 20RS 602
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 9, 2020 3:18 PM	Author: STAGNI
Dept./Agy.: Supplemental Pay	Analyst: Patrice Thomas
Subject: Increase Monthly Supplemental Pay from \$500 to \$750	

APPROPRIATIONS/SUPP PAY OR +\$59,526,000 GF EX See Note Page 1 of 1
 Increases the amount of supplemental pay for eligible law enforcement and fire protection officers

Proposed law increases supplemental pay for certain law enforcement officers and firefighters by \$250, from the current amount of \$500 to \$750 per month. Proposed law includes eligible firefighters, police officers, deputy sheriffs, harbor police, and bridge police. Proposed law effective July 1, 2020.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$59,526,000	\$59,526,000	\$59,526,000	\$59,526,000	\$59,526,000	\$297,630,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will increase SGF expenditures by approximately \$59.5 M annually based on current eligibles. Proposed law increases state supplemental pay for firefighters and law enforcement personnel, including deputy sheriffs, by \$250 per month, from \$500 to \$750 monthly. The Department of Public Safety (DPS) currently oversees supplemental pay for firefighters and all law enforcement personnel excluding deputy sheriffs statewide. The Department of Treasury administers supplemental pay for deputy sheriffs.

As of February 2020, DPS has disbursed supplemental pay to 5,672 municipal law enforcement officers and 5,720 firefighters statewide, a total of 11,392 recipients. Increasing supplemental pay by \$250, from \$500 to \$750, would increase annual expenditures associated with supplemental pay to municipal police and firefighters by approximately \$34.1 M (11,392 recipients x \$250 per month x 12), from \$68.3 M to \$102.5 M annually. Additionally, the Department of the Treasury estimates based on FY 19 an average of 8,450 deputy sheriffs received monthly supplemental pay statewide. Increasing supplemental pay by \$250, from \$500 to \$750, would increase annual expenditures associated with supplemental pay for deputy sheriffs by approximately \$25.4 M (8,450 recipients x \$250 per month x 12 months), from \$50.7 M to \$76.1 M annually. Proposed law would result in an annual SGF expenditure increase of approximately \$59.5 M (\$34.1 M + \$25.4 M) and a total annual program cost of approximately \$178.6 M beginning in FY 21. For reference, Schedule 20-966 Supplemental Pay to Law Enforcement Personnel has a total recommended appropriation of \$124.25 M SGF in FY 21 in the current version of House Bill 105.

Furthermore, proposed law would increase the expenditure of local funds by an indeterminable, but significant amount. Supplemental payments are included in the computation of the total wages paid to each officer and firefighter to determine withholdings for contributions to the appropriate retirement system. Local governments are responsible for the employer contributions to the retirement system for which each officer, firefighter, or deputy is a member. For reference, the Public Retirement Systems' Actuarial Committee (PRSAC) recommended minimum employer contribution for each retirement system for FY 21 is as follows: Municipal Police Employees' Retirement System - 33.75%; Firefighters' Retirement System - 34.25%; and Sheriffs' Pension and Relief - 12.25%.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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