

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **HB 164** HLS 18RS 561  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 21, 2018 7:36 AM	<b>Author:</b> MACK
<b>Dept./Agy.:</b> Public Safety Services/Treasury	<b>Analyst:</b> Ryan Guidry
<b>Subject:</b> Supplemental Pay for Law Enforcement and Firefighters	

SUPPLEMENTAL PAY OR +\$60,942,000 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 officer and firefighters by \$250, from \$500 to \$750 per month. Proposed law includes eligible firefighters, police officers, deputy sheriffs, harbor police, and bridge police.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$60,942,000	\$60,942,000	\$60,942,000	\$60,942,000	\$60,942,000	\$304,710,000
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	
<b>Annual Total</b>						
REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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
<b>Annual Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

**EXPENDITURE EXPLANATION**

Proposed law will increase SGF expenditures by approximately \$60.9 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 March 2018, DPS has disbursed supplemental pay to 5,889 municipal law enforcement officers and 5,751 firefighters statewide, a total of 11,640 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 \$34.9 M (11,640 recipients X \$250/month X 12), from \$69.3 M to \$104.2 M annually. Additionally, the Dept. of the Treasury estimates there are 8,674 deputy sheriffs receiving 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 \$26 M (8,764 recipients X \$250/month X 12 months), from \$53.7 M to \$79.7 M annually. Proposed law would result in an annual SGF expenditure increase of approximately \$60.9 M (\$34.9 M + \$26 M) and a total annual program cost of approximately \$184 M in FY 19.

*For reference, Supplemental Pay to Law Enforcement Personnel has a total recommended appropriation of \$123.1 M in FY 19 in the current version of House Bill 1.*

Furthermore, the 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 minimum employer contribution for each retirement system for FY 19 is as follows: Municipal Police Employees' Retirement System - 32.25%; Firefighters' Retirement System - 26.25%; and Sheriffs' Pension and Relief - 9.5%.

**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}

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**Staff Director**