

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5456-01  
Bill No.: HB 2417  
Subject: Highway Patrol; Water Patrol; Public Safety Department  
Type: Original  
Date: April 6, 2010

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Bill Summary: This proposal transfers the Missouri State Water Patrol to the Division of Water Patrol within the Missouri State Highway Patrol.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
General Revenue	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
State Highways and Transportation Department	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Gaming Commission** and the **Missouri Consolidated Health Care Plan** assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety**, on behalf of the **Highway Patrol (HP)** and **Water Patrol (WP)**, assume this legislation will have significant impact on several areas of operation. These areas include the following:

Information Technology - The WP currently utilizes an employee in OAIT for its needs, while HP maintains its own internal Information Systems Division. After the merger, WP personnel would use the mainframe system already in use by HP. HP's mainframe should be able to support the additional personnel, but HP will require some amount of funding to allow connectivity to WP zone offices. This funding may currently be in OAIT's budget.

Communications - There are 9 dispatchers currently employed by WP. It is assumed that the dispatch function needs to be integrated within HP. We anticipate no immediate cost savings, but there will be some cost to move the data circuits to the dispatch towers from the current WP dispatch building. These circuits would be rerouted to another building. HP may not be able to handle the additional personnel in their current facilities, which would lead to additional space requirements. There may be some long range savings if personnel can be reduced and radio towers within the same region can be combined.

Space Requirements - HP is working to identify facilities within the Jefferson City area for the reassignment of WP personnel, including the dispatchers mentioned above as well as other WP personnel. If the current WP headquarters can be vacated by both WP and the Fire Marshal, the building's lease can be terminated, which would be a cost savings for the state. The facilities next to the headquarters are owned by WP and would still be needed for storage and boat maintenance. These facilities can also be used for office space, possibly for dispatchers or other support personnel.

Training - Training will need to continue for both agencies to maintain Police Officers Standards and Training (POST) certification. After the merger, training will need to be reviewed to determine what can be offered to all officers instead of different programs for HP vs WP. There could be a small cost savings as mutual training is combined and streamlined; however, there will be increased costs when officers begin to do any type of cross-training.

Administration - HP has a financial management section that includes budgeting, federal grants, procurement, accounts payable/receivable, a warehouse operation, and a print shop. HP can

ASSUMPTION (continued)

handle all of the activity in these areas. Human resources, public information, and other support functions of HP should be able to support WP with some modifications. HP has its own hiring system and does not use the state's merit system.

Boater Safety Education - HP is not familiar with this program and the requirements involved. HP may be able to save a small amount of money by supplying a reduced printing cost for safety pamphlets, etc, compared to the current costs WP pays to OA or MVE. As the only boating law enforcement agency in the state, WP currently receives a large number of boating questions on a daily basis. These include questions on boating law, education, registration, river levels, etc, and the calls are especially heavy during the period of April thru September. HP personnel who answer incoming calls at each troop will need substantial training in order to answer these boating questions, and there will be a cost associated with cross-training employees in this manner.

Gaming Funds - Section 43.050.3 states that the full cost of any WP staff assigned to protect the public on waterways where gambling boats are permitted will be reimbursed by boat licensees. Currently, there are four WP officers assigned to those waterways (Mississippi and Missouri Rivers). This provision would have a positive impact on GR since those officers' costs would now be reimbursed by excursion boat licensees as provided in Sections 313.004.9 and 313.820.

Revenue - Merging HP and WP, and having WP personnel partnering in HP road duties, gaming duties, and criminal duties during their off season is expected to increase the number of summons and arrests. These activities usually result in fines, which should have a positive fiscal impact to revenues for courts, fines (education revenue), and to sheriffs' and prosecuting attorneys' training funds. This will increase with time after the merger, as WP patrolmen receive more training and experience.

Until specific plans are developed and implemented, it is not possible to estimate the total benefits and costs associated with these areas, so the overall fiscal impact will be unknown. It is assumed that most of the costs and most of the revenue/savings (unless mentioned otherwise above) would involve a combination of General Revenue and Highway funds.

Officials from the **Missouri State Employees Retirement System (MOSERS)** state the proposed legislation would, if enacted, create a division of water patrol within the Missouri state highway patrol and transfer water patrol employees currently employed within the department of public safety to the highway patrol. As it affects MOSERS, employees who are earning creditable service under the MSEP (closed plan) or the MSEP 2000 will remain in those plans unless they elect, within ninety days of January 1, 2011, to transfer membership and creditable service to the closed plan or the Year 2000 Plan administered by the Missouri Department of

ASSUMPTION (continued)

Transportation and Patrol Employees' Retirement System (MPERS). An election to transfer such creditable service to MPERS would result in the forfeiture of any rights or benefits under MOSERS.

As proposed, in the event such an election is made, MOSERS would be required to transfer to MPERS by June 30, 2011, an amount actuarially determined to equal the liability at the time of the transfer to the extent that liability is funded as of the most recent actuarial valuation, not to exceed 100%. Provisions also exist that would prevent transferring employees from participating in the Missouri Consolidated Health Care Plan (MCHCP); however, medical coverage would be provided by the state highway and transportation commission for MPERS' covered members.

MOSERS' records indicate that there are presently 116 employees (23 regular state employees and 93 uniformed members of the water patrol) working for the water patrol with an estimated payroll of approximately \$545,700. While we are unable to estimate the number of members that may elect to transfer their creditable service to MPERS, we do know that the contribution rate for transferring members would increase from 13.81% of payroll under MOSERS to 39.46% under MPERS (for non-uniformed members) and 49.53% (for uniformed members), respectively.

Officials from the **Missouri Department of Transportation and Highway Patrol Employee's Retirement System (MPERS)** state they have been informed by the officials of the Department of Public Safety that there are approximately 9-Radio Operator positions and 93-Uniformed Water Patrol members that will be included in the transfer. It is our understanding that the estimated payroll for this group is approximately \$6,167,136 per year. Today, under MOSERS, the entire group has a contribution rate of 13.81% plus .55% of payroll for disability insurance resulting in annual contributions from General Revenue of \$885,601. Under the proposed legislation, the members of the group would be given an election to stay in MOSERS or come to MPERS. If the entire group elected to come to MPERS, the contributions would increase substantially because MPERS' rates are considerably higher (for FY2011, the rate is 39.46% for the civilian group and 49.53% for the uniformed group). Using the same payroll of \$6,167,136, annual contributions to MPERS would be in the range of \$3,012,342. This would represent an increase in contributions from General Revenue of \$2,126,741 if the entire group elected to come to MPERS.

Because the bill stipulates that members have the option to choose between MOSERS and MPERS, we have no way of predicting how many people would elect to come to MPERS. However, if even one member elected to move over, General Revenue would be impacted.

ASSUMPTION (continued)

Based on the response from the Department of Public Safety, **Oversight** assumes there could be unknown potential costs as well as potential savings from the change outlined in the proposal. Within the budget for FY 2010, 52% of the funding for the Water Patrol (\$5,474,890 of \$10,620,363) is from the General Revenue Fund, while 69% of the funding for the Highway Patrol - Enforcement Program (\$68,197,001 of \$99,244,231) is from State Highways and Transportation Department Fund. Therefore, Oversight assumes there could be savings and or additional costs within various funds, including the two mentioned above, as well as Federal Funds and the Missouri State Water Patrol Fund. For fiscal note purposes, Oversight will reflect a potential savings and potential costs to General Revenue and Highway Funds.

Section 104.810 allows employees of the Missouri State Water Patrol to elect to move retirement from the Missouri State Employees Retirement System (MOSERS) to the Highways and Transportation Employee's and Highway Patrol Retirement System (MPERS) within 90 days of January 1, 2011. **Oversight** does not have a basis to how many of the 127.5 FTE Water Patrol employees will make this election. The contribution rate for MPERS, as stated by MOSERS, is 39.46% or 49.53% (compared to 13.81% for MOSERS), therefore, the state would incur additional costs for those employees electing to be covered under the MPERS plan.

FISCAL IMPACT - State Government

FY 2011  
 (10 Mo.)

FY 2012

FY 2013

**GENERAL REVENUE**

Savings - Water Patrol & Highway Patrol

Various potential savings in the change to the Division of Water Patrol under the Missouri State Highway Patrol including shared communications, shared/reduced facilities, shared administration, increased utilization of Water Patrol Officers during non-peak boating season and reimbursement from gaming casinos

Unknown

Unknown

Unknown

Costs - Water Patrol & Highway Patrol

Various potential increased costs related to putting Division of Water Patrol under the Missouri State Highway Patrol including potential for new leased space to house larger Communications staff, potential increase in state retirement contributions if Water Patrol Officers choose to be served under MPERS, potential costs to make the switch to a division under MHP.

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT TO THE  
 GENERAL REVENUE FUND**

**Unknown to  
(Unknown)**

**Unknown to  
(Unknown)**

**Unknown to  
(Unknown)**

FISCAL IMPACT - State Government  
 (continued)

FY 2011  
 (10 Mo.)

FY 2012

FY 2013

**STATE HIGHWAYS AND  
 TRANSPORTATION DEPARTMENT  
 FUND**

Savings - Water Patrol & Highway Patrol

Various potential savings in the change to the Division of Water Patrol under the Missouri State Highway Patrol including shared communications, shared/reduced facilities, shared administration, increased utilization of Water Patrol Officers during non-peak boating season

Unknown

Unknown

Unknown

Costs - Water Patrol & Highway Patrol

Various potential increased costs related to putting Division of Water Patrol under the Missouri State Highway Patrol including potential for new leased space to house larger Communications staff, potential increase in state retirement contributions if Water Patrol Officers choose to be served under MPERS, potential costs to make the switch to a division under MHP.

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT TO THE  
 STATE HIGHWAYS AND  
 TRANSPORTATION DEPARTMENT  
 FUND**

**Unknown to  
(Unknown)**

**Unknown to  
(Unknown)**

**Unknown to  
(Unknown)**



FISCAL IMPACT - Local Government

FY 2011  
(10 Mo.)

FY 2012

FY 2013

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

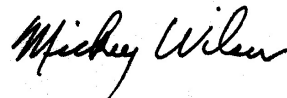
FISCAL DESCRIPTION

This proposal transfers the Missouri State Water Patrol to the Division of Water Patrol within the Missouri State Highway Patrol.

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 Gaming Commission  
Missouri State Employees Retirement System  
Missouri Consolidated Health Care Plan  
Missouri Department of Transportation and Patrol Employees' Retirement System



Mickey Wilson, CPA  
Director  
April 6, 2010