

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5612-01
Bill No.: HB 2628
Subject: Law Enforcement Officers and Agencies
Type: Original
Date: March 9, 2020

Bill Summary: This proposal establishes the “Peace Officer Basic Training Tuition Reimbursement Program.”

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | | |
|--|-------------------|----------------------|----------------------|-----------------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 | Fully Implemented (FY 2025) |
| General Revenue | (\$55,950) | (\$1,264,512) | (\$2,465,056) | (\$4,865,056) |
| Total Estimated Net Effect on General Revenue | (\$55,950) | (\$1,264,512) | (\$2,465,056) | (\$4,865,056) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | | |
|--|------------|------------|------------|-----------------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 | Fully Implemented (FY 2025) |
| Peace Officer Basic Training Tuition Reimbursement* | \$0 | \$0 | \$0 | \$0 |
| Total Estimated Net Effect on Other State Funds | \$0 | \$0 | \$0 | \$0 |

*Transfers In and disbursements net to zero.

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

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | | |
|---|----------------|----------------|----------------|------------------------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 | Fully Implemented (FY 2025) |
| | | | | |
| | | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | | |
|---|----------------|----------------|----------------|------------------------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 | Fully Implemented (FY 2025) |
| General Revenue | 1 FTE | 1 FTE | 1 FTE | 1 FTE |
| | | | | |
| Total Estimated Net Effect on FTE | 1 FTE | 1 FTE | 1 FTE | 1 FTE |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | | |
|--|----------------|-----------------------|-----------------------|------------------------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 | Fully Implemented (FY 2025) |
| Local Government | \$0 | Less than \$1,200,000 | Less than \$2,400,000 | Less than \$4,800,000 |

FISCAL ANALYSIS

ASSUMPTION

§§590.1070 and 590.1075 - Peace Officer Basic Training Tuition Reimbursement Program

Officials from the **Department of Public Safety - Director's Office (DPS)** anticipates there will be a need for more clarification from the legislature during the rules process. POST's role in this proposed legislation can be completed with one FTE, a program representative. The program representative would be needed once the legislation passes in order to begin the process of setting up administrative rules and procedures to be ready in the event the funding is appropriated.

DPS is unable to estimate the amount of funding that would be required to fund the reimbursement program as the number of individuals or entities who would apply for the reimbursement is unknown.

Oversight assumes individuals, state and local agencies will utilize the tuition reimbursement program; therefore, Oversight will present DPS' impact to the General Revenue Fund.

Officials from the **Department of Natural Resources (DNR)** state section 590.1070.1.(2) allows qualifying government entities that have paid tuition for employees to receive basic law enforcement training, under certain terms, to be eligible for reimbursement over a four year period. Per Section 590.1070.4.(1), this legislation applies to affected staff hired on or after September 1, 2020. Section 590.1070.4.(3) also requires the employee to have completed one year of employment as a full-time peace officer in this state. When these conditions are met, the Department would be able to request reimbursement of twenty five percent [per Section 590.1070.5.(1)] of the tuition paid per eligible employee per year for up to four years [per Section 590-1070.5.(2)].

Due to the September 1, 2020, implementation date and the one-year of employment required, the Department anticipates the first year for reimbursement eligibility would be fiscal year 2023. For the last three fiscal years, the Department's average law enforcement tuition cost is \$4,500 per year. Based on the twenty-five percent, the first year impact in fiscal year 2023 would be \$1,125. Once fully implemented and assuming the Department hires one qualified employee per year and the cost of the training program remains constant, the maximum annual fiscal year impact would be \$4,500. The reimbursement request would be submitted to the Department of Public Safety which would be subject to appropriation from the General Assembly. Typically, the Department pays for the tuition costs from the Parks Sales Tax Fund. Therefore, the cost savings to the Department is estimated to be \$4,500 annually, once fully implemented.

ASSUMPTION (continued)

Oversight assumes DNR's savings is minimal and, for fiscal note purposes, assumes no fiscal impact.

Oversight notes to be eligible to receive tuition reimbursement, a person shall be initially employed as a peace officer on or after September 1, 2020, submit an initial application for tuition reimbursement needs, and meet the criteria outlined in provisions of this bill to include employer verification of the person's employment as a full-time peace officer in this state for at least one year and the person's current employment as a peace officer in this state as of the date of the application. Government entities can also receive tuition reimbursement under the provisions of this bill even if the individual is no longer employed by the government entity as long as the individual for whom tuition was paid is still continuously employed as a full-time peace officer.

The total amount of tuition reimbursement provided to an eligible person or government entity with respect to an employee, shall not exceed \$6,000 per person or employee. In order to receive the full amount of tuition paid, reimbursements will be made over a four-year period of continuous employment.

Oversight assumes reimbursement will be equal to the amount appropriated and the net effect will be zero to all funds except General Revenue.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Lake Saint Louis Police Department** state this should help law enforcement agencies with a cost savings where they have sponsored candidates through law enforcement training centers by paying their tuition and fees. Annual amounts will vary depending on the number of candidates sponsored with an estimated amount of \$5,000 to \$6,000 per candidate.

Oversight notes the **Department of Public Safety - (Capitol Police and the Missouri State Highway Patrol)**, the **Department of Social Services**, the **Department of Conservation**, and the **Springfield Police Department** have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other police and sheriff's departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

According to DPS's budget submission, POST issued the following number of licenses per year:

| | |
|---------|-------------------------|
| CY 2016 | 1,530 |
| CY 2017 | 1,355 |
| CY 2018 | 1,326 |
| CY 2019 | 1,039 (through 9/12/19) |

This averages to roughly 1,400 licenses issued per year. However, also in the budget submission, DPS later noted that the POST Program issues approximately 1,000 new peace officer licenses every calendar year. For purposes of the fiscal note, Oversight will assume 1,000 new peace officers each year will qualify for this program. Oversight will also assume all 1,000 of the new officers (or their hiring local political subdivision) paid \$6,000 or more for their training. Oversight will also assume 80% of the new licensees will remain full time peace officers after 1 year. Therefore, with these assumptions, Oversight calculates the annual payments out of the fund for each annual class would be $1,000 \times 80\%$ (still employed as full-time peace officers) \times \$6,000 (max tuition reimbursement) \times 25% (reimbursement spread over 4 years) = \$1,200,000.

ASSUMPTION (continued)

Therefore, Oversight assumes a cumulative impact to General Revenue that will be fully implemented in FY 2025 with four classes impacting the program (25% per year).

| | FY '21 | FY '22 | FY '23 | FY '24 | FY '25 |
|--------------------------------|------------|--------------------|--------------------|--------------------|--------------------|
| 1 st year licensees | \$0 | \$1,200,000 | \$1,200,000 | \$1,200,000 | \$1,200,000 |
| 2 nd year licensees | | \$0 | \$1,200,000 | \$1,200,000 | \$1,200,000 |
| 3 rd year licensees | \$0 | \$0 | \$0 | \$1,200,000 | \$1,200,000 |
| 4 th year licensees | \$0 | \$0 | \$0 | \$0 | \$1,200,000 |
| TOTAL | \$0 | \$1,200,000 | \$2,400,000 | \$3,600,000 | \$4,800,000 |

FISCAL IMPACT -
State Government

| | FY 2021 (10 Mo.) | FY 2022 | FY 2023 | Fully Implemented (FY 2025) |
|---|--------------------------|-----------------------------|-----------------------------|-----------------------------------|
| GENERAL REVENUE FUND | | | | |
| <u>Transfer Out - To POST Reimbursement Fund</u> | \$0 | (\$1,200,000) | (\$2,400,000) | (\$4,800,000) |
| <u>Cost - DPS Administer POST Tuition Reimbursement Program</u> | | | | |
| Personal Services | (\$32,283) | (\$39,127) | (\$39,519) | (\$39,519) |
| Fringe Benefits | (\$20,321) | (\$24,514) | (\$24,644) | (\$24,644) |
| E&E | (\$3,346) | (\$871) | (\$893) | (\$893) |
| <u>Total Cost - DPS</u> | <u>(\$55,950)</u> | <u>(\$64,512)</u> | <u>(\$65,056)</u> | <u>(\$65,056)</u> |
| FTE Change - DPS | 1 FTE | 1 FTE | 1 FTE | 1 FTE |
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | <u>(\$55,950)</u> | <u>(\$1,264,512)</u> | <u>(\$2,465,056)</u> | <u>(\$4,865,056)</u> |

| Estimated Net FTE Change for the General Revenue Fund <u>FISCAL IMPACT -</u> <u>State Government</u> (continued) | 1 FTE FY 2021 (10 Mo.) | 1 FTE FY 2022 | 1 FTE FY 2023 | 1 FTE Fully Implemented (FY 2025) |
|--|----------------------------------|--|--|--|
| PEACE OFFICER BASIC TRAINING TUITION REIMBURSEMENT FUND | | | | |
| <u>Transfer In</u> - From General Revenue Fund | \$0 | \$1,200,000 | \$2,400,000 | \$4,800,000 |
| <u>Cost</u> - Reimbursement to individuals or departments for basic law enforcement training | \$0 | (Unknown) | (Unknown) | (Unknown) |
| <u>Transfer Out</u> - Local Political Subdivisions (Police and Sheriff's Departments) | <u>\$0</u> | <u>Less than</u> <u>(\$1,200,000)</u> | <u>Less than</u> <u>(\$2,400,000)</u> | <u>Less than</u> <u>(\$4,800,000)</u> |
| ESTIMATED NET EFFECT ON THE PEACE OFFICER BASIC TRAINING TUITION REIMBURSEMENT FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT -</u> <u>Local Government</u> | FY 2021 (10 Mo.) | FY 2022 | FY 2023 | Fully Implemented (FY 2025) |
|---|---------------------|---------|---------|-----------------------------------|
|---|---------------------|---------|---------|-----------------------------------|

**LOCAL
 GOVERNMENT -
 POLICE AND
 SHERIFF'S
 DEPARTMENTS**

| | | | | |
|---|------------|--|--|--|
| <u>Transfer In</u> - From Peace Officer Basic Training Reimbursement Fund | <u>\$0</u> | <u>Less than</u> <u>\$1,200,000</u> | <u>Less than</u> <u>\$2,400,000</u> | <u>Less than</u> <u>\$4,800,000</u> |
|---|------------|--|--|--|

**ESTIMATED NET
 EFFECT ON
 LOCAL
 GOVERNMENT -
 POLICE AND
 SHERIFF'S
 DEPARTMENTS**

| | | | |
|-------------------|--|--|--|
| <u>\$0</u> | <u>Less than</u> <u>\$1,200,000</u> | <u>Less than</u> <u>\$2,400,000</u> | <u>Less than</u> <u>\$4,800,000</u> |
|-------------------|--|--|--|

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill establishes the "Peace Officer Basic Training Tuition Reimbursement Program", which will be a fund to which Missouri residents who attend a basic law enforcement academy for training required to be a peace officer and who obtain full-time employment with a law enforcement agency, on or after September 1, 2020, may apply to have their tuition reimbursed at a rate of 25% per year of employment, with full tuition reimbursed by the end of four years of employment. Qualifying government entities that pay for a person to attend the academy may submit for tuition reimbursement at the same rate. The POST Commission will be the administrative agency for implementation of the reimbursement program.

FISCAL DESCRIPTION (continued)

The bill also establishes the "Peace Officer Basic Training Tuition Reimbursement Fund", which will consist of money appropriated by the General Assembly, as well as any gifts, bequests, or donations, and the funds are to be used solely for the administration of the reimbursement program.

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 Natural Resources
Department of Public Safety
Department of Social Services
Department of Conservation
Joint Committee on Administrative Rules
Office of Secretary of State
Springfield Police Department
Lake Saint Louis Police Department



Julie Morff
Director
March 9, 2020



Ross Strope
Assistant Director
March 9, 2020