

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7159

BILL NUMBER: HB 1207

DATE PREPARED: Jan 4, 2000

BILL AMENDED:

SUBJECT: School corporation police force.

FISCAL ANALYST: David Hoppmann

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: Provides that the governing body of a school corporation may establish a school corporation police force that is staffed with police officers who have full police powers and whose survivors are eligible for death benefits. Requires school corporation police officers to have law enforcement academy education and basic training and to participate in local continuing education programs.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill could minimally affect the Special Death Benefit Fund (Fund), which received funding from a \$5 dollar fee collected for each bail bond issued until December 31, 1998 (the statutory requirement for fee collections for the Fund expired on that date). This fund provides a death benefit of \$150,000 for each public safety officer who dies in the line of duty.

The Fund balance as of June 30, 1999 was \$4.05 M. Over the last ten years, the average number of claims on this fund was 1.9 (with an average payout of 1.9 X \$150,000 or \$285,000 per year). By increasing the possibility of higher average claims, the Fund could exhaust itself in less time than expected (currently, the Fund is expected to remain self-perpetuating for 28 years).

Fluctuations in annual deaths, as well as interest rate changes and investment strategies would affect the life of the Fund. It is not likely that the provisions of this bill would result in a significant increase of claims or administrative cost by the Auditor of State or by the Public Employees Retirement Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: Salary and Benefit Costs- School corporations opting to establish a police force would experience an increase in salary and benefit costs including contributions to the Public Employees Retirement Fund. Typically, a full-time police officer hired by a school corporation receives an

average annual salary of approximately \$35,000 with benefits. However, actual costs would vary from school corporation to school corporation, and would depend upon local action.

School corporation budgets receive funding from a combination of the following sources: 1) state support; and 2) local property, excise, and Financial Institution Taxes.

Law Enforcement Academy Training Costs- School corporations would incur no additional cost regarding Law Enforcement Academy training of their officers. Currently, the Law Enforcement Academy accepts individuals only after having been investigated and hired by a law enforcement agency (in this case a school corporation). If the officer is mandated by law to receive police powers, the Law Enforcement Academy will provide training at no cost to the law enforcement agency.

The Law Enforcement Academy is funded by the dedicated Law Enforcement Training Fund (the Fund) which is provided by court fee revenue (under IC 33-19-7-5) as well as by General Fund appropriations. The FY 2000 fee distribution to the Fund was \$1.9 million. P.L. 273-1999 also appropriated \$2.1 million in FY 2000 to the Fund.

The cost for completing basic law enforcement training at the Academy is \$4,000 for a twelve week course that includes 480 hours of training. School corporations would not be required to pay this cost.

Continuing Education Costs- School corporations would incur no additional cost regarding the continuation of law enforcement training. School corporation officers would be included in existing county, city and town continuing education programs funded by various local fees related to law enforcement.

Explanation of Local Revenues:

State Agencies Affected: Law Enforcement Training Academy; Public Employees Retirement Fund; Auditor of State.

Local Agencies Affected: School Corporations.

Information Sources: Judy Cooper, Law Enforcement Training Academy, (317) 839-5191; Marty Montgomery, Public Employee Retirement Fund, (317) 233-4148; Treasurer of State, Investment Summary, www.state.in.us/tos/tosrpt98.html.