

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6581

BILL NUMBER: HB 1160

DATE PREPARED: Dec 7, 2001

BILL AMENDED:

SUBJECT: Police and Firefighter Merit Systems.

FISCAL ANALYST: Valerie Ruda

PHONE NUMBER: 232-9867

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires all cities, towns, and townships that have full-time paid police or fire departments to use the statutory merit system or establish their own merit system for their police and fire departments not later than July 1, 2004.

Effective Date: July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Governmental units, such as cities, towns, and townships, would experience an indeterminable increase in administrative expenses to establish merit systems. Under current Indiana law, governmental units are not required to establish merit systems for their full-time police and fire departments.

The specific effects of this bill would vary between governmental units and would depend upon various factors, such as the size of each unit and the size of its respective police and fire departments. (However, the size of a unit and its departments does not necessarily indicate that it will or will not have a merit system established.)

As of 2000, there existed no definitive information source containing the exact number of governmental units which have implemented such a merit system. However, it is estimated that there are approximately 25 to 30 police merit systems and approximately 15 fire merit systems already established in the State of Indiana.

Background: The creation of a personnel merit system customarily requires that formal guidelines for hiring, firing, promotion, and employee appeal be established. Establishing a merit system, whether a statutory

system or one established by ordinance, necessitates the administrative expense of preparing merit system documents and the formation of a merit review commission or board.

As of 2000, there were 584 cities and towns, of which 450 had police departments of some type which employed approximately 7,010 full-time officers, 326 part-time officers, and 1,431 reserve officers. There were approximately 900 active fire departments, of which 80% (720) were volunteer, and 20% (180) were full-time.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Units of government that employ full-time (and paid) police or firefighters, but that have no merit system for those employees.

Information Sources: Tom Miller, Professional Firefighters Union, (317) 443-2130; Gary Robison, Office of the State Fire Marshal, (317) 232-2227; Law Enforcement Training Academy; Local Government Database.