

Background Information on Excess Police State Aid

Excess police state aid is the source of funding for the Additional Amortization Aid program enacted in 1995. Some municipalities receive aid in excess of their current annual pension contribution requirements.

Excess police state aid is a function of the amount of revenue generated by the dedicated tax on automobile insurance premiums. For counties and municipalities with Public Employees Police and Fire Retirement Plan (PERA-P&F) coverage, and its more modest employer contribution rate, results in many jurisdictions receiving more police state aid than the PERA-P&F employer contribution requirement for police officers.

The following sets forth a comparison of the police state aid amounts over time with the applicable PERA-P&F employer contribution rate and the average police salary rate below which police state aid would be greater than the amount necessary to cover the employer PERA-P&F contribution for the police officer.

Year	Total Amount of Police State Aid	PERA-P&F Amount of Police State Aid for Police Officers	Employer Contribution Rate	Average Police Salary Below Which Excess State Aid Occurs
1972	\$2,307,444.00	n/a	12.00%	
1973	\$2,487,177.97	n/a	12.00%	
1974	\$2,460,435.00	n/a	12.00%	
1975	\$2,591,332.66	n/a	12.00%	
1976	\$2,697,670.87	n/a	12.00%	
1977	\$8,601,025.61	n/a	12.00%	
1978	\$10,269,283.14	\$1,866.46	12.00%	\$15,553.83
1979	\$11,464,982.02	\$2,031.72	12.00%	\$16,931.00
1980	\$12,826,038.31	n/a	12.00%	
1981	\$14,091,351.96	n/a	12.00%	
1982	\$14,663,614.00	\$2,565.89	12.00%	\$21,357.42
1983	\$14,817,224.00	\$2,589.93	12.00%	\$21,582.75
1984	\$15,242,120.00	\$2,660.91	12.00%	\$22,174.25
1985	\$16,287,427.00	\$2,794.97	12.00%	\$23,291.42
1986	\$19,091,379.58	\$3,255.92	12.00%	\$27,132.67
1987	\$23,986,079.00	\$4,075.00	12.00%	\$33,958.33
1988	\$26,074,381.00	\$4,343.00	12.00%	\$36,191.67
1989	\$26,525,503.00	\$4,400.00	12.00%	\$36,666.67
1990	\$27,399,401.00	\$4,458.00	12.00%	\$37,150.00
1991	\$30,111,119.00	\$4,783.00	12.00%	\$39,858.33
1992	\$31,950,032.00	\$4,966.00	12.00%	\$41,383.33
1993	\$31,145,397.00	\$5,250.00	11.40%	\$46,052.63
1994	\$36,210,413.00	\$5,453.00	11.40%	\$47,833.33
1995	\$38,711,974.00	\$5,705.94	11.40%	\$50,052.11
1996	\$39,259,301.00	\$5,679.67	11.40%	\$49,821.67
1997	\$40,254,394.00	\$5,375.20	11.40%	\$47,150.84
1998	\$47,607,287.00	\$6,359.00	9.30%	\$68,376.34
1999	\$47,581,510.00	\$5,994.00	9.30%	\$64,451.61
2000	\$49,216,571.00	\$5,993.92	9.30%	\$64,450.74
2001	\$54,480,694.00	\$6,508.00	9.30%	\$69,978.49
2002	\$58,712,506.00	\$6,898.83	9.30%	\$74,180.98
2003	\$64,266,303.00	\$7,498.84	9.30%	\$80,632.68
2004	\$71,815,974.00	\$8,415.28	9.30%	\$90,486.85
2005	\$71,685,853.00	\$8,374.03	9.30%	\$90,043.29
2006	\$67,850,948.00	\$7,761.19	10.50%	\$73,916.13
2007	\$66,259,269.00	\$7,392.74	11.70%	\$63,185.80
2008	\$62,152,943.00	\$6,775.27	12.30%	\$55,083.49
2009	\$63,325,697.00	\$6,752.22	14.10%	\$47,888.08
2010	\$62,591,837.00	\$6,619.39	14.10%	\$46,946.82
2011	\$62,548,557.00	\$6,762.00	14.40%	\$47,957.45

Through 1989, any resulting excess police state aid was deposited in PERA-P&F and used to amortize the PERA-P&F unfunded actuarial accrued liability. With the virtual elimination of the PERA-P&F unfunded actuarial accrued liability in the late 1980s, in 1989 (Laws 1989, Ch. 319, Art. 6) the disposition of excess police state aid was changed, with its deposit in a special holding account in PERA-P&F and ultimate payment to the Public Employees Insurance Program (PEIP) administered by the Department of Employee Relations (DOER).

In 1994 (Laws 1994, Ch. 632, Art. 3, Sec. 50), the transfer of the excess police state aid amount to PEIP was discontinued, with \$1 million of any excess police state aid redirected to the recently created Ambulance Personnel Longevity Award Program, and the balance of the excess police state aid

redeposited in the general fund unless a statewide police stress reduction and remediation program is established and funded, whereupon any appropriation for that program is to be deducted.

In 1995 (Laws 1995, Ch. 262, Art. 4, Sec. 1) an additional amortization aid program was created. The additional amortization aid first payable in October 1997 allocates one-half of the excess police aid money remaining, after the deduction of the Ambulance Personnel Longevity Award Program funding, to local police and paid firefighter relief associations and consolidation accounts with unfunded actuarial accrued liabilities, based on the relationship that the 1993 unfunded actuarial accrued liability of each bears to the total unfunded actuarial accrued liability of all local police and paid firefighter relief associations and consolidation accounts.

In 2003 (1st Spec. Sess. Laws 2003, Ch. 14, Art. 6, Sec. 1), the funding dedicated from excess police state aid for the Ambulance Personnel Longevity Award Program was reduced from \$1,000,000 to \$900,000.

In 2007 (Laws 2007, Ch. 147, Art. 19, Sec. 7, 13) the \$900,000 appropriation to the Ambulance Personnel Longevity Award Program was shifted from an open and standing appropriation from excess police state aid to a biennial appropriation of \$700,000 for fiscal year 2008 and \$700,000 for fiscal year 2009.