

# FISCAL NOTE

Requested by Legislative Council

01/18/2005

Bill/Resolution No.: HB 1457

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues					
Expenditures					
Appropriations					

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

UNKNOWN FISCAL IMPACT TO TFFR. The proposed legislation grants retroactive TFFR service credit to kindergarten teachers who taught prior to 1987 and did not receive service credit based on the number of hours employed. The bill will result in an unknown actuarial cost to TFFR due to an unknown number of teachers this proposal would affect and unknown amount of service credit that would be granted without funding the cost.

According to TFFR's actuarial consultant, a wide range of results is possible. For example, if 150 years of additional service credit is granted, it would increase TFFR's unfunded liability by approximately \$1.3 million equal to .03% increase in the employer contribution rate. If 750 additional years of service credit is granted, it would increase TFFR's unfunded liability by approximately \$6.5 million equal to .17% increase in the employer contribution rate. The cost of the bill is a function of how many members receive how much additional service.

Calculation is based on average cost per additional year of \$8,700 times the number of years of retroactive service credit granted

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget.*

*Indicate the relationship between the amounts shown for expenditures and appropriations.*

**Name:** Fay Kopp  
**Phone Number:** 328-9895

**Agency:** ND Retirement & Investment Office  
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