

FISCAL NOTE

Requested by Legislative Council

01/27/2003

Bill/Resolution No.: SB 2316

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$164,800	\$455,800	\$164,800	\$455,800
Appropriations			\$164,800	\$374,730	\$164,800	\$374,730

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$109,000	\$13,300	\$101,000	\$109,000	\$13,300	\$101,000

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

This bill was studied during the interim by the Legislative Employee Benefits Committee and the actuary determined that the cost of the bill was .07% of payroll for the retirement plan to provide this benefit. Since the PERS fund has no margins to support benefit improvements, new enhancements should be supported by an increase in employer contributions. This means to support this improvement the employer contribution for all participating employers should be increased from 4.12% to 4.19%. Secondly, the Mill & Elevator will need additional appropriation authority to pay the additional retirement contributions for the overtime. Lastly, the bill provides an appropriation to PERS to make some administrative changes to the recordkeeping system to implement the bill.

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.*

The state expenditures are for the additional retirement contributions by the Mill & Elevator (\$205,000), the additional retirement employer contributions for state employers (\$164,800 in general funds and \$242,800 in other funds) and \$8,000 is included for changes in the PERS recordkeeping system.

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.*

The appropriation is the additional funds needed for state agencies to pay the higher contribution needed to support the proposed new benefit in the bill, the additional Mill and Elevator contributions on overtime and the PERS appropriation. The appropriation does not include Higher Education since they have a continuing appropriation.

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Agency: Public Employees Retirement System

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