

FISCAL NOTE

Requested by Legislative Council
03/31/2003

Amendment to: SB 2033

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					\$927,563	\$228,882
Appropriations					\$927,563	\$182,611

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

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

This proposal provides for the creation of a new law enforcement retirement system as part of the PERS national guard plan. Law enforcement entities of political subdivisions could join the system at their option beginning August 1 of 2003. Eligible law enforcement or correctional offers that are state employee members of PERS would be transferred to the new system in the next biennium. Since the new system provides for an earlier retirement date the required employer contributions are higher. The projected amount for the next biennium above reflect the cost of the additional employer contributions on behalf of the estimated 453 eligible participants.

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 additional expenditures for the next biennium are for the additional employer contributions required for state employees who join the system next biennium. Specifically the projected employer contribution rate increases from 4.12% to 8.31%. Total covered payroll for the 453 eligible members is \$1,150,000. The present employer contribution rate is 4.12% which is a monthly contribution of \$47,380 for this group of members. The increased contribution required under this bill is 8.31% which would be \$95,565. The difference of \$48,185 is the additional monthly contribution required. Over 24 months this is \$1,156,445. Broken down by funding source it is approximately \$927,563 in general funds and \$228,882 in other funds

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 appropriations reflects the additional appropriation authority necessary for the Attorney Generals Office, Highway Patrol, Department of Corrections and Game & Fish. Higher Ed has 18 employees that would be eligible but they are not included in the appropriation amount since they have a continuing appropriation.

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Agency: PERS
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