

FISCAL NOTE
Requested by Legislative Council
02/21/2015

Amendment to: HB 1080

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill adjusts the employee peace officer contributions in the Law Enforcement plan and retirement eligibility & benefits for main system members first enrolled after December 31, 2015.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill would positively affect the current funding level of the Hybrid Plan. As a result of the proposed plan changes, the Normal Cost of the Main System will be reduced from 10.36% to 9.90%, a decrease in the actuarially required contribution of 0.46% of payroll. Approximately one-half of this decrease, or 0.20% of payroll, would be a result of the change in the benefit multiplier from 2.0% to 1.9% for new employees. The cost savings would be very gradual and would be expected to take 20 to 30 years to completely take effect. Even with this change there is still a 3.48% contribution deficit from the actuarially required contribution required for this year.

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.*

As noted above this will reduce the long term contribution requirements it is not noted as having a fiscal effect since the state's present contribution is below the actuarial required contribution.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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