



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: HB0370: Provide appropriation to the highway patrol pension fund

Primary Sponsor: Greg Kmetz Status: As Introduced

Retirement Systems Affected    ☐ Teachers    ☐ Public Employees    ☒ Highway Patrol    ☐ Police  
☐ Sheriffs    ☐ Firefighters    ☐ Volunteer Firefighters    ☐ Game Wardens    ☐ Judges

Has this legislation been reviewed by the legislative interim committee? **No**  
Has the cost of this legislation been calculated by the system's actuary? **Yes**  
Does this legislation include full funding for any benefit revisions? **Yes**

### Pension Liability

#### Public Employees Retirement Board

	July 1, 2024 Current System	July 1, 2024 With Changes	Increase/ (Decrease)
<b><u>Highway Patrol</u></b>			
Present Value of Actuarial Accrued Liability	\$292,082,472	\$292,082,472	\$0
Present Value of Actuarial Assets	\$226,704,727	\$226,704,727	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$65,377,745	\$377,745	\$65,000,000
Amortization Period (years) of UAAL	24.00	0.00	-24.00
Change in normal costs	26.39%	26.39%	0.00%

### Pension Contribution Rates

	FY 2024 July 1, 2023	FY2025 July1, 2024	FY 2026 July 1, 2025	FY 2027 July 1, 2026	FY2027 July 1, 2028
<b><u>Highway Patrol</u></b>					
Employee Contribution Rate	13.05%	13.05%	13.05%	13.05%	13.05%
Employer Contribution Rate	38.33%	34.40%	34.90%	35.40%	35.90%
State Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate	51.38%	47.45%	47.95%	48.45%	48.95%

## **FISCAL SUMMARY**

	FY 2026 <u>Difference</u>	FY 2027 <u>Difference</u>	FY 2028 <u>Difference</u>	FY 2029 <u>Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$65,000,000	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0

**Revenues**

General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Pension Trust Fund	\$65,000,000	\$0	\$0	\$0

**Net Impact**

	<u>(\$65,000,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**General Fund Balance****Description of fiscal impact**

HB 370 would provide an appropriation from the general fund to the Highway Patrol Officers' Retirement System (HPORS) pension trust fund by July 1, 2025.

**FISCAL ANALYSIS****Assumptions****Public Employees Retirement Board**

1. All actuarial assumptions will be realized, including the investment return assumption of 7.3%. If assumptions are not met, the financial impact would change. Salary projections are based on the actuarial assumed payroll growth assumption of 3.25%.
2. HB 370 would be effective July 1, 2025.
3. There would be a one-time payment from the general fund to the pension trust fund as of July 1, 2025.

**Fiscal Analysis Table**

<b>Public Employees Retirement Board</b>				
	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>	<b><u>FY 2028</u></b>	<b><u>FY 2029</u></b>
	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>
<b><u>Fiscal Impact</u></b>				
<b><u>Expenditures</u></b>				
Transfers	\$65,000,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b><u>\$65,000,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b><u>Funding of Expenditures</u></b>				
General Fund (01)	\$65,000,000	\$0	\$0	\$0
<b>TOTAL Funding of Expenditures</b>	<b><u>\$65,000,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b><u>Revenues</u></b>				
Other	\$0	\$0	\$0	\$0
Pension Trust Fund	\$65,000,000	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b><u>\$65,000,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
General Fund (01)	(\$65,000,000)	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Pension Trust Fund	\$65,000,000	\$0	\$0	\$0

  
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Sponsor's Initials

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Date

  
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Budget Director's Initials

2/4/2025  
Date