



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)
<u>Highway Patrol</u>			
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
<u>Highway Patrol</u>					
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>
Expenditures				
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

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



Sponsor's Initials

2 4 25
Date



Budget Director's Initials

2/4/2025
Date