



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