



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: **SB0056: Supplemental employer contribution for PERS, HPORS, SRS, GWPORS**

Primary Sponsor: **Mike Cuffe**

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? **Yes**  
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>Public Employees</b>			
Present Value of Actuarial Accrued Liability	\$9,695,548,065	\$9,695,548,065	\$0
Present Value of Actuarial Assets	\$7,341,304,639	\$7,341,304,639	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$2,354,243,426	\$2,354,243,426	\$0
Amortization Period (years) of UAAL	27.00	26.00	-1.00
Change in normal costs	9.83%	9.83%	0.00%

#### **Highway Patrol**

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	\$65,377,745	\$0
Amortization Period (years) of UAAL	24.00	21.00	-2.00
Change in normal costs	26.39%	26.39%	0.00%

#### **Sheriffs**

Present Value of Actuarial Accrued Liability	\$686,145,643	\$686,145,643	\$0
Present Value of Actuarial Assets	\$568,268,497	\$568,268,497	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$117,877,146	\$117,877,146	\$0
Amortization Period (years) of UAAL	24.00	18.00	-6.00
Change in normal costs	15.48%	15.48%	0.00%

#### **Game Wardens**

Present Value of Actuarial Accrued Liability	\$377,092,368	\$377,092,368	\$0
Present Value of Actuarial Assets	\$353,845,517	\$353,845,517	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$23,246,851	\$23,246,851	\$0
Amortization Period (years) of UAAL	24.00	12.00	-10.00
Change in normal costs	17.34%	17.34%	0.00%

**Pension Contribution Rates**

	<b>FY 2024</b> <b>July 1, 2023</b>	<b>FY2025</b> <b>July1, 2024</b>	<b>FY 2026</b> <b>July 1, 2025</b>	<b>FY 2027</b> <b>July 1, 2026</b>	<b>FY2027</b> <b>July 1, 2028</b>
<b><u>Public Employees</u></b>					
Employee Contribution Rate	7.90%	7.90%	7.90%	7.90%	7.90%
Employer Contribution Rate	9.17%	9.17%	9.27%	9.37%	9.47%
State Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate	17.07%	17.07%	17.17%	17.27%	17.37%
<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%	38.43%	38.53%	38.63%
State Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate	51.38%	47.45%	51.48%	51.58%	51.68%
<b><u>Sheriffs</u></b>					
Employee Contribution Rate	10.50%	10.50%	10.50%	10.50%	10.50%
Employer Contribution Rate	13.12%	12.07%	13.22%	13.32%	13.42%
State Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate	23.61%	22.57%	23.72%	23.82%	23.92%
<b><u>Game Wardens</u></b>					
Employee Contribution Rate	10.56%	10.56%	10.56%	10.56%	10.56%
Employer Contribution Rate	10.56%	9.62%	10.66%	10.76%	10.86%
State Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate	21.12%	20.18%	21.22%	21.32%	21.42%

**FISCAL SUMMARY**

	<b>FY 2026</b> <b><u>Difference</u></b>	<b>FY 2027</b> <b><u>Difference</u></b>	<b>FY 2028</b> <b><u>Difference</u></b>	<b>FY 2029</b> <b><u>Difference</u></b>
<b>Expenditures</b>				
General Fund (01)	\$1,590,358	\$1,588,991	\$2,020,816	\$3,016,165
State Special Revenue (02)	\$375,502	\$517,057	\$803,250	\$1,457,109
Federal Special Revenue (03)	\$134,657	\$260,719	\$418,591	\$799,635
Other	\$0	\$0	\$0	\$0
Cities	\$138,123	\$340,991	\$556,759	\$1,085,473
Consolidated Governments	\$39,288	\$55,261	\$82,876	\$156,776
Counties	\$1,494,277	\$1,432,975	\$1,942,253	\$3,527,121
Proprietary	\$76,924	\$164,898	\$266,194	\$515,658
Schools	\$117,602	\$287,859	\$468,944	\$903,068
University	\$147,676	\$269,181	\$430,627	\$815,196
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

**Fiscal Note Request - As Introduced***(continued)*

Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other	\$2,013,890	\$2,551,165	\$3,747,654	\$7,003,292
Cities	\$0	\$0	\$0	\$0
Consolidated Governments	\$0	\$0	\$0	\$0
Counties	\$0	\$0	\$0	\$0
Proprietary	\$0	\$0	\$0	\$0
Schools	\$0	\$0	\$0	\$0
University	\$0	\$0	\$0	\$0

**Net Impact****General Fund Balance**

<u>(\$1,590,358)</u>	<u>(\$1,588,991)</u>	<u>(\$2,020,816)</u>	<u>(\$3,016,165)</u>
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**Description of fiscal impact**

SB 56 revises employer contributions and increases the supplemental employer contribution rate for the Public Employees Retirement System (PERS), Highway Patrol Officers' Retirement System (HPORS), Sheriffs' Retirement System (SRS), and the Game Wardens' and Peace Officers' Retirement System (GWPORS). The 0.1% increase for each of these systems will be effective July 1, 2025 through June 30, 2035.

**FISCAL ANALYSIS****Assumptions**

1. The employer contribution rate for PERS, GWPORS, HPORS and SRS would increase 0.1% for fiscal year 2026 and continue to increase 0.1% through fiscal year 2035, totaling an additional employer contribution rate increase of 1% over the next 10 years.
2. The employer contribution increase would terminate on July 1 following the boards receipt of the system's actuarial valuation if the valuation determines that terminating the additional employer contribution rate would not cause the amortization period to exceed 25 years for PERS, GWPORS, HPORS and SRS.
3. This bill assumes that HB 85 is passed.
4. All actuarial assumptions will be realized, including the investment return assumption of 7.30%. If assumptions are not met, the financial impact would change. Salary projections are based on the actuarial assumed payroll growth assumption of 3.25%.
5. This bill would be effective July 1, 2025.

## Fiscal Analysis Table

## Public Employees Retirement Board

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b>Fiscal Impact</b>				
<b>Expenditures</b>				
Benefits	\$4,114,407	\$4,917,932	\$6,990,310	\$12,276,201
<b>TOTAL Expenditures</b>	<b>\$4,114,407</b>	<b>\$4,917,932</b>	<b>\$6,990,310</b>	<b>\$12,276,201</b>
<b>Funding of Expenditures</b>				
General Fund (01)	\$1,590,358	\$1,588,991	\$2,020,816	\$3,016,165
State Special Revenue (02)	\$375,502	\$517,057	\$803,250	\$1,457,109
Federal Special Revenue (03)	\$134,657	\$260,719	\$418,591	\$799,635
Other	\$0	\$0	\$0	\$0
Consolidated Governments	\$39,288	\$55,261	\$82,876	\$156,776
Cities	\$138,123	\$340,991	\$556,759	\$1,085,473
University	\$147,676	\$269,181	\$430,627	\$815,196
Schools	\$117,602	\$287,859	\$468,944	\$903,068
Counties	\$1,494,277	\$1,432,975	\$1,942,253	\$3,527,121
Proprietary	\$76,924	\$164,898	\$266,194	\$515,658
<b>TOTAL Funding of Expenditures</b>	<b>\$4,114,407</b>	<b>\$4,917,932</b>	<b>\$6,990,310</b>	<b>\$12,276,201</b>
<b>Revenues</b>				
Other	\$2,013,890	\$2,551,165	\$3,747,654	\$7,003,292
<b>TOTAL Revenues</b>	<b>\$2,013,890</b>	<b>\$2,551,165</b>	<b>\$3,747,654</b>	<b>\$7,003,292</b>
<b>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</b>				
General Fund (01)	(\$1,590,358)	(\$1,588,991)	(\$2,020,816)	(\$3,016,165)
State Special Revenue (02)	(\$375,502)	(\$517,057)	(\$803,250)	(\$1,457,109)
Federal Special Revenue (03)	(\$134,657)	(\$260,719)	(\$418,591)	(\$799,635)
Other	\$2,013,890	\$2,551,165	\$3,747,654	\$7,003,292
Consolidated Governments	(\$39,288)	(\$55,261)	(\$82,876)	(\$156,776)
Cities	(\$138,123)	(\$340,991)	(\$556,759)	(\$1,085,473)
University	(\$147,676)	(\$269,181)	(\$430,627)	(\$815,196)
Schools	(\$117,602)	(\$287,859)	(\$468,944)	(\$903,068)
Counties	(\$1,494,277)	(\$1,432,975)	(\$1,942,253)	(\$3,527,121)
Proprietary	(\$76,924)	(\$164,898)	(\$266,194)	(\$515,658)

## Effect on County or Other Local Revenues or Expenditures

- Counties would need to budget for a 0.1% increase starting fiscal year 2026 through 2035.

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

1/7/25

Budget Director's Initials

1/4/2025

Date

RD