



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0640.01: Revising membership in FURS to include airport authority public safety employees**

Primary Sponsor: Mark Thane 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? **No**
 Does this legislation include full funding for any benefit revisions? **No**

Pension Liability

Public Employees Retirement Board

	July 1, 2024 Current System	July 1, 2024 With Changes	Increase/ (Decrease)
<u>Firefighters</u>			
Present Value of Actuarial Accrued Liability	\$844,848,032	\$844,848,032	\$0
Present Value of Actuarial Assets	\$716,671,562	\$716,671,562	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$128,176,470	\$128,176,470	\$0
Amortization Period (years) of UAAL	8.00	8.00	0.00
Change in normal costs	31.70%	31.70%	0.00%

Pension Contribution Rates

	FY 2025 July 1, 2024	FY 2026 July 1, 2025	FY 2027 July 1, 2026	FY 2028 July 1, 2027	FY 2029 July 1, 2028
<u>Firefighters</u>					
Employee Contribution Rate	10.70%	10.70%	10.70%	10.70%	10.70%
Employer Contribution Rate	14.36%	14.36%	14.36%	14.36%	14.36%
State Contribution Rate	32.61%	32.61%	32.61%	32.61%	32.61%
TOTAL Contribution Rate	57.67%	57.67%	57.67%	57.67%	57.67%

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)	\$365,237	\$377,107	\$389,363	\$402,017

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Other	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Pension Trust Fund	\$365,237	\$377,107	\$389,363	\$402,017
Net Impact	<u>(\$365,237)</u>	<u>(\$377,107)</u>	<u>(\$389,363)</u>	<u>(\$402,017)</u>
General Fund Balance				

Description of fiscal impact

HB 640 revises participation in the Firefighters' Retirement System to include airport authority public safety employees.

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

1. HB 640 adds a "Public safety officer" definition under 19-13-104, MCA, as "a person employed both as a full-paid firefighter and a sworn peace officer position by an airport authority employer."
2. Under 19-13-604, MCA the state shall make contributions from the general fund each fiscal year to the Firefighters Retirement System (FURS) in the amount of 32.61% of compensation paid to members.
3. Based on the most recent FURS valuation dated 6/30/2024 the average annual salary was \$86,155.
4. State contribution of 32.61% of covered payroll would be a cost of \$28,095 per new member ($\$86,155 \times 32.61\% = \$28,095$).
5. Assumptions anticipate only 13 new members would participate. Should more members join the impact to the general fund would increase.
6. Payroll is assumed to grow by 3.25% each year.
7. If all assumptions are met there will be no actuarial impact to the system.
8. The bill is 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>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Benefits	\$365,237	\$377,107	\$389,363	\$402,017
TOTAL Expenditures	<u>\$365,237</u>	<u>\$377,107</u>	<u>\$389,363</u>	<u>\$402,017</u>
<u>Funding of Expenditures</u>				
General Fund (01)	\$365,237	\$377,107	\$389,363	\$402,017
TOTAL Funding of Expenditures	<u>\$365,237</u>	<u>\$377,107</u>	<u>\$389,363</u>	<u>\$402,017</u>
<u>Revenues</u>				
Other	\$0	\$0	\$0	\$0
Pension Trust Fund	\$365,237	\$377,107	\$389,363	\$402,017
TOTAL Revenues	<u>\$365,237</u>	<u>\$377,107</u>	<u>\$389,363</u>	<u>\$402,017</u>

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(continued)

Net Impact to Fund Balance (Revenue minus Funding of Expenditures)

General Fund (01)	(\$365,237)	(\$377,107)	(\$389,363)	(\$402,017)
Other	\$0	\$0	\$0	\$0
Pension Trust Fund	<u>\$365,237</u>	<u>\$377,107</u>	<u>\$389,363</u>	<u>\$402,017</u>



 Sponsor's Initials

2-26-25

 Date



 Budget Director's Initials

2/26/2025

 Date