



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: **HB0085.03 (001): Reinstating former employer contributions for JRS, HPORS, SRS, GWPORS**

Primary Sponsor: Marta Bertoglio Status: As Amended in Senate Committee

**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><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)	\$65,337,745	\$65,337,745	\$0
Amortization Period (years) of UAAL	24.00	22.00	-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	20.00	-4.00
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	14.00	-10.00
Change in normal costs	17.37%	17.37%	0.00%

#### **Judges**

Present Value of Actuarial Accrued Liability	\$76,237,400	\$76,237,400	\$0
Present Value of Actuarial Assets	\$140,157,853	\$140,157,853	\$0
Unfunded Actuarial Accrued Liability (UAAL)	(\$63,920,453)	(\$63,920,453)	\$0
Amortization Period (years) of UAAL	0.00	0.00	0.00

**Fiscal Note Request - As Amended in Senate Committee***(continued)*

Change in normal costs	27.19%	27.19%	0.00%
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**Pension Contribution Rates**

		<b>FY 2025</b> <b>July 1, 2024</b>	<b>FY 2026</b> <b>July 1, 2025</b>	<b>FY 2027</b> <b>July 1, 2026</b>	<b>FY 2028</b> <b>July 1, 2027</b>	<b>FY 2029</b> <b>July 1, 2028</b>
<b><u>Highway Patrol</u></b>						
Employee	Contribution	13.05%	13.05%	13.05%	13.05%	13.05%
Rate						
Employer	Contribution	38.33%	34.40%	28.15%	28.15%	28.15%
Rate						
State Contribution Rate		0.00%	0.00%	10.18%	10.18%	10.18%
TOTAL Contribution Rate		51.38%	47.45%	51.38%	51.38%	51.38%

**Sheriffs**

Employee	Contribution	10.50%	10.50%	10.50%	10.50%	10.50%
Rate						
Employer	Contribution	13.12%	12.07%	13.12%	13.12%	13.12%
Rate						
State Contribution Rate		0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate		23.61%	22.57%	23.61%	23.61%	23.61%

**Game Wardens**

Employee	Contribution	10.56%	10.56%	10.56%	10.56%	10.56%
Rate						
Employer	Contribution	10.56%	9.62%	10.56%	10.56%	10.56%
Rate						
State Contribution Rate		0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate		21.12%	20.18%	21.12%	21.12%	21.12%

**Judges**

Employee	Contribution	7.00%	7.00%	7.00%	7.00%	7.00%
Rate						
Employer	Contribution	0.00%	0.00%	0.00%	0.00%	0.00%
Rate						
State Contribution Rate		0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate		7.00%	7.00%	7.00%	7.00%	7.00%

**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)	\$1,352,342	\$1,028,793	\$1,117,918	\$1,380,226
State Special Revenue (02)	\$222,479	\$144,825	\$197,865	\$301,995
Federal Special Revenue (03)	\$39,164	\$25,404	\$34,562	\$52,889
Other	\$0	\$0	\$0	\$0
Consolidated Government	\$21,146	\$11,296	\$11,445	\$21,254

**Fiscal Note Request - As Amended in Senate Committee***(continued)*

County	\$1,143,139	\$610,653	\$618,736	\$1,148,949
Proprietary	\$13,490	\$8,241	\$10,386	\$16,680
University	\$52,255	\$34,404	\$47,633	\$72,104

**Revenues**

General Fund (01)	(\$1,352,342)	(\$1,028,793)	(\$1,117,918)	(\$1,380,226)
State Special Revenue (02)	(\$222,479)	(\$144,825)	(\$197,865)	(\$301,995)
Federal Special Revenue (03)	(\$39,164)	(\$25,404)	(\$34,562)	(\$52,889)
Other	\$0	\$0	\$0	\$0
Other	(\$1,230,030)	(\$664,594)	(\$688,200)	(\$1,258,987)
Pension Trust	\$2,844,015	\$1,863,616	\$2,038,545	\$2,994,097

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

	<u>(\$2,704,684)</u>	<u>(\$2,057,586)</u>	<u>(\$2,235,836)</u>	<u>(\$2,760,452)</u>
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**Description of fiscal impact**

HB 85 reinstates former employer contribution rates for the Highway Patrol Officers' Retirement System (HPORS), the Sheriffs' Retirement System (SRS), and the Game Wardens' and Peace Officers' retirement system (GWPORS) and institutes a 0% employer contribution rate for the Judges Retirement System (JRS).

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

- HB 85 eliminates the modified layered amortization funding policy for the Judges Retirement System (JRS), Highway Patrol Officers' Retirement System (HPORS), Sheriffs' Retirement System (SRS), and Game Wardens' and Peace Officers' Retirement System (GWPORS).
  - JRS - employer rate will go to 0% and if the funded ratio drops below 120% funded after an actuarial study, the employer contribution rate must be increased to 25.81%.
  - HPORS - the statutory appropriation is restored to pay 10.18% and the employer rate will be 28.15%.
  - SRS - the employer rate will be 13.115%.
  - GWPORS - the employer contribution rate will be 10.56%.
- The bill would be effective July 1, 2025.
- 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%.

**Fiscal Analysis Table**

<b>Public Employees Retirement Board</b>				
	<b><u>FY 2026 Difference</u></b>	<b><u>FY 2027 Difference</u></b>	<b><u>FY 2028 Difference</u></b>	<b><u>FY 2029 Difference</u></b>
<b><u>Fiscal Impact</u></b>				
<b><u>Expenditures</u></b>				
Benefits	\$2,844,015	\$1,863,616	\$2,038,545	\$2,994,097
<b>TOTAL Expenditures</b>	<b><u>\$2,844,015</u></b>	<b><u>\$1,863,616</u></b>	<b><u>\$2,038,545</u></b>	<b><u>\$2,994,097</u></b>
<b><u>Funding of Expenditures</u></b>				
General Fund (01)	\$1,352,342	\$1,028,793	\$1,117,918	\$1,380,226
State Special Revenue (02)	\$222,479	\$144,825	\$197,865	\$301,995
Federal Special Revenue (03)	\$39,164	\$25,404	\$34,562	\$52,889
Other	\$0	\$0	\$0	\$0
Proprietary	\$13,490	\$8,241	\$10,386	\$16,680

**Fiscal Note Request - As Amended in Senate Committee**

(continued)

County	\$1,143,139	\$610,653	\$618,736	\$1,148,949
Consolidated Government	\$21,146	\$11,296	\$11,445	\$21,254
University	\$52,255	\$34,404	\$47,633	\$72,104
<b>TOTAL Funding of Expenditures</b>	<b>\$2,844,015</b>	<b>\$1,863,616</b>	<b>\$2,038,545</b>	<b>\$2,994,097</b>

**Revenues**

General Fund (01)	(\$1,352,342)	(\$1,028,793)	(\$1,117,918)	(\$1,380,226)
State Special Revenue (02)	(\$222,479)	(\$144,825)	(\$197,865)	(\$301,995)
Federal Special Revenue (03)	(\$39,164)	(\$25,404)	(\$34,562)	(\$52,889)
Other	\$0	\$0	\$0	\$0
Other	(\$1,230,030)	(\$664,594)	(\$688,200)	(\$1,258,987)
Pension Trust	\$2,844,015	\$1,863,616	\$2,038,545	\$2,994,097
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

General Fund (01)	(\$2,704,684)	(\$2,057,586)	(\$2,235,836)	(\$2,760,452)
State Special Revenue (02)	(\$444,958)	(\$289,650)	(\$395,730)	(\$603,990)
Federal Special Revenue (03)	(\$78,328)	(\$50,808)	(\$69,124)	(\$105,778)
Other	(\$1,230,030)	(\$664,594)	(\$688,200)	(\$1,258,987)
Proprietary	(\$13,490)	(\$8,241)	(\$10,386)	(\$16,680)
County	(\$1,143,139)	(\$610,653)	(\$618,736)	(\$1,148,949)
Consolidated Government	(\$21,146)	(\$11,296)	(\$11,445)	(\$21,254)
University	(\$52,255)	(\$34,404)	(\$47,633)	(\$72,104)
Pension Trust	\$2,844,015	\$1,863,616	\$2,038,545	\$2,994,097

**Technical Concerns**

1. 15-38-301, MCA should also be amended to specify that money can be distributed out of the natural resources fund for the purposes specified in this bill.

MB

Sponsor's Initials

4/9/2025

Date



Budget Director's Initials

4/8/2025

Date