



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				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
Expenditures				
Transfers	\$65,000,000	\$0	\$0	\$0
TOTAL Expenditures	<u>\$65,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Funding of Expenditures				
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>
Revenues				
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>
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
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