

FISCAL NOTE

Requested by Legislative Council
01/20/2005

Bill/Resolution No.: SB 2264

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$213,000		\$213,000
Appropriations				\$213,000		\$213,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill was reviewed by the PERS actuary who determined that the cost of the proposed enhancement is .04% of payroll for PERS. Since the PERS fund has no margins to support long term benefit improvements new enhancements need to be supported by an increase in contributions. Consequently the employer contribution should be increased from 4.12% to 4.16%. The cost of this additional contribution requirement for the 2005-2007 biennium is estimated to be \$86,507 in general funds and \$312,378 in other funds. The bill as proposed does not provide this funding and therefore it is not shown above.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The above fiscal note reflects additional expenditures by the Mill and Elevator budget to pay the additional retirement contributions on the overtime payments (\$205,000 in other funds authority). Secondly, the bill provides an appropriation to PERS to make some administrative changes to implement the bill (\$8,000 in other funds authority).

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Provides the necessary appropriation to support the expenditures.

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Agency: PERS
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