

Fiscal Note Request HB644, As Introduced

(continued)

- 10. FY 2004 salaries of \$960,664 are projected to increase at a rate of 4.25 percent (general wage growth as determined by the Board’s actuary). Salaries are projected to total \$1,044,056 in FY 2006 and \$1,088,428 in FY 2007.
- 11. Increased employer contributions as a result of this bill are as follows:
 - a. FY 2006: $\$1,044,056 \times .02735 = \$28,555$
 - b. FY 2007: $\$1,088,428 \times .02735 = \$29,769$
- 12. Increased employee contributions as a result of this bill are as follows:
 - a. FY 2006: $\$1,044,056 \times .02345 = \$24,483$
 - b. FY 2007: $\$1,088,428 \times .02345 = \$25,524$

FISCAL IMPACT:

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
<u>Revenues:</u>		
Other (Sheriff’s Retirement System)	\$53,038	\$55,293
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
Other	\$53,038	\$55,293

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This legislation will affect three airport authorities: Bert Mooney Airport Authority, Great Falls International Airport, and Missoula County Airport. Calculations for this fiscal note included security police officers for the Billings Logan International Airport; however, there is the possibility of a reporting error (see Technical Note #3).

Other airports in the state do not employ “airport police officers” as defined in this bill. Flathead Municipal Airport Authority contracts with a private security service; Gallatin Airport authority is patrolled by deputies from the county sheriff’s department; Helena Regional Airport Authority employs public safety officers who do not carry weapons; Sidney-Richland Airport Authority in unsecured and is patrolled by local city police and county sheriffs.

Effect of Increased Employer/Employee Contributions		
	FY 2006 Difference	FY 2007 Difference
Employer Contributions	\$28,555	\$29,769
Employee Contributions	24,483	25,524
Total Contributions	53,038	55,293

LONG-RANGE IMPACTS:

Increased contributions will continue as long as airport authorities continue to employ airport police officers.

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TECHNICAL NOTES:

1. HB 148 increases the SRS employer contribution rate from 9.535 percent to 10.735 percent, an increase of 1.2 percent, in FY 2006. The rate is raised by another 1.2 percent in FY 2008, to 12.935 percent. This increase is required to fund the system on an actuarially sound basis. With the passage of HB 148, employer contributions to the SRS required for airport police officers will increase by an additional \$12,529 and \$13,061 for fiscal years 2006 and 2007, respectively. These increases, paid by the three airport authorities and the City of Billings, would be in addition to those of \$28,555 and \$29,769 above. Additional increases would be required in the next biennium.
2. "Airport police officer" is not well-defined in this bill. It is difficult to determine how many employees will be affected.
3. Security officers for the Billings Logan Airport are employed by the city, not the airport. The city of Billings currently has coverage under the Municipal Police Officers' Retirement System (MPORS). Should these "police officers" patrolling the airport also be reported under the MPORS? There is a possibility that this is a reporting error.
4. The Sheriffs' Retirement System may not be the appropriate system for these security guards.