



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	SB0193
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Title:	Increase game warden pay with increased nonresident wildlife conservation fee
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Primary Sponsor:	Jent, Larry
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Status:	As Introduced
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| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
FWP New Warden Acct (02)	\$0	\$1,063,916	\$1,069,440	\$1,075,186
FWP Gen License Acct (02)	\$0	\$0	\$0	\$0
Other - Pensions GWPORS	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
FWP New Warden Acct (02)	\$0	\$1,876,990	\$1,876,990	\$1,876,990
FWP Gen License Acct (02)	\$0	(\$255,080)	(\$255,080)	(\$255,080)
Other - Pensions GWPORS	\$0	\$221,433	\$230,290	\$239,502
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: Senate Bill 193 will provide a new compensation plan for certain game wardens and provide funding from a new dedicated state special revenue fund. This special fund would provide the funding for the increase in game wardens' salaries and any increase in the normal cost amount of the Game Wardens' and Peace Officers' Retirement System (GWPORS).

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

- FWP assumes by the title of this bill that the intent is to fund the *increased* cost of game warden salaries based on new section 2-18-303(4)(a) MCA rather than the *entire* cost of game warden salaries under this section.

2. New section 2-18-303(4)(c), MCA, defines game wardens as authorized officers of the department who are granted peace officer status (87-1-502(7), MCA). FWP assumes the same definition of game warden as used for their vacancy savings exemption statute (17-7-161, MCA).
3. Using the above definition, supervisory/management positions held by wardens with peace officer status will be compensated on years of service as specifically referenced in this legislation, but no less than the minimum salary of the pay band to which the employee's position is allocated (per 2-18-303(2), MCA).
4. Based on new section 2-18-303(4)(b), MCA, game wardens will no longer receive longevity increments.
5. The total cost for all authorized peace officer positions calculated according to new section 2-18-303(4)(a), MCA, is \$6,934,814. This amount includes benefits and removes current longevity adjustments.
6. Current cost for all authorized peace officer positions is \$6,009,008. This amount includes benefits and longevity.
7. The estimated increased cost for game warden salaries is \$925,806. ($\$6,934,814 - \$6,009,008 = \$925,806$)
8. This legislation increases the non-resident conservation license by \$10 and designates it be deposited in a new account and used to fund game warden salaries as defined above. In LY2012, 187,699 non-resident conservation licenses were sold. ($187,699 \times \$10 = \$1,876,990$)
9. As required in 87-2-505(1)(a), MCA, and 87-2-510((1), MCA, the \$10 increase would be assessed to the non-resident conservation licenses contained with non-resident B-10 and B-11 licenses. This legislation does not increase the price of these licenses; therefore, the \$10/license will be taken from the dollars that currently go to the General License account. In LY2012, 25,508 B-10 and B11 licenses were sold. ($25,508 \times \$10 = \$255,080$)
10. Per new section 2-18-303(4)(a), MCA, the new compensation will go into effect the first full pay period of July 2014 (FY 2015). Game wardens will no longer receive any pay increase from HB 13 nor any longevity adjustments. Without a broadband pay adjustment, a warden captain salary will not change. FWP assumes no broadband pay adjustment will be made, so no increases are reflected in the fiscal note.

Game Wardens' and Peace Officers' Retirement System (GWPORS)

11. Salary projections are based on the actuarial assumed payroll growth assumption of 4%.
12. The normal cost rate at June 30, 2012 was 18.98%.
13. Based on the Department of Fish, Wildlife and Parks (FWP) data, the net effect of SB 93 would be to increase base salaries by \$925,806.
14. The employer contributions for the increased salary and the employer rate of 9% would be \$83,323 ($925,806 \times 9\%$).
15. The normal cost dollars as calculated by the actuary will increase by \$138,110 in the year of implementation.
16. Section 2 of the bill (2-18-303 new subsection 8) requires that the newly created special revenue account pay the additional normal cost dollars to the retirement system. This is illustrated in the fiscal note as a cost to FWP and as a revenue to GWPORS.
17. Assuming the normal cost rate of 18.98% does not increase; the normal cost dollars would be expected to increase by 4% annually.
18. Because of the GABA rate changed in 2007 for GWPORS, the normal cost rate would be expected to decrease over time due to all new hires receiving 1.5% GABA.
19. The normal cost rate is reevaluated as of each valuation date.
20. The normal cost rate will potentially change when the next actuarial experience study is performed, depending upon the changes in actuarial assumptions adopted by the board.
21. Generally, experience studies are done every 5-7 years; the last experience study was performed in 2010.
22. The fiscal impact presented in the report assumes that this bill is the only amendment being considered. If other changes are also adopted, the fiscal impact associated with this bill could be different.
23. There have been no adjustments for actuarial gains and losses or for changes in membership or financial data since the last valuation as of June 30, 2012.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services - FWP	\$0	\$925,806	\$925,806	\$925,806
FWP normal cost supplement	\$0	\$138,110	\$143,634	\$149,380
TOTAL Expenditures	\$0	\$1,063,916	\$1,069,440	\$1,075,186
<u>Funding of Expenditures:</u>				
New Warden Account (02) FWP	\$0	\$1,063,916	\$1,069,440	\$1,075,186
General License Acct (02) FWP	\$0	\$0	\$0	\$0
Other - GWPORS	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$0	\$1,063,916	\$1,069,440	\$1,075,186
<u>Revenues:</u>				
New Warden Account (02) FWP	\$0	\$1,876,990	\$1,876,990	\$1,876,990
General License Acct (02) FWP	\$0	(\$255,080)	(\$255,080)	(\$255,080)
Other - GWPORS	\$0	\$221,433	\$230,290	\$239,502
TOTAL Revenues	\$0	\$1,843,343	\$1,852,200	\$1,861,412

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

General Fund (01)	\$0	\$0	\$0	\$0
New Warden Account (02) FWP	\$0	\$813,074	\$807,550	\$801,804
General License Acct (02) FWP	\$0	(\$255,080)	(\$255,080)	(\$255,080)
Other - GWPORS	\$0	\$221,433	\$230,290	\$239,502

Technical Notes:

1. This legislation directs that if the new account contains less than 100% of the funding necessary to cover the new compensation plan, salaries must be funded in a percentage equal to the funds available. FWP assumes by the title of the bill that the intent is to fund the *increased* salary cost, not the *entire* cost, from the new fund. The language in the bill is unclear and could benefit from clarification.
2. This bill calculates all game warden salary as a percentage of the base pay for a warden captain. Percentages are defined based on years of service. Since the definition of game warden includes all authorized peace officers, several supervisory positions will now be based on years of service rather than job title.

Sponsor's Initials

Date

Budget Director's Initials

Date



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Dedication of Revenue 2015 Biennium

17-1-507-509, MCA.

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**
No. Nonresident hunters and anglers will pay the increased fee and will benefit from the protection of Montana's hunting and fishing resources protected by the game wardens.
- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**
These funds can only be used to fund warden pay. Using a state special revenue fund ensures FWP can comply with the law.
- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**
Yes.
- d) **Does the need for this state special revenue provision still exist? Yes No (Explain)**
- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**
No. These funds will still require legislative appropriations.
- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**
Yes. Meeting FWP's payroll obligations is a legal obligation.
- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**
The dedicated revenue provision ensures FWP utilizes the dedicated revenue as the legislature intended with passage of this bill.