



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2015 Biennium

<b>Bill #</b>	SB0353	<b>Title:</b>	Establish qualifications for Public Employees' and Teachers' Retirement Boards
<b>Primary Sponsor:</b>	Walker, Edward	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input 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>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
Other - TRS	(\$3,400)	(\$3,400)	(\$3,400)	(\$3,400)
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Other - TRS	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 353 changes the qualifications for board members of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and reduces the size of the TRS board. The fiscal impact of SB 353 is related to the elimination of one TRS board member.

### FISCAL ANALYSIS

#### Assumptions:

1. SB 353 will reduce the number of TRS board members from six to five, which will reduce administrative costs (per diem, mileage, lodging, etc.) by \$3,400 per year.
2. This legislation has no fiscal impact to PERS.

	<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>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Personal Services	(\$600)	(\$600)	(\$600)	(\$600)
Operating Expenses	(\$2,800)	(\$2,800)	(\$2,800)	(\$2,800)
<b>TOTAL Expenditures</b>	<b>(\$3,400)</b>	<b>(\$3,400)</b>	<b>(\$3,400)</b>	<b>(\$3,400)</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - TRS	(\$3,400)	(\$3,400)	(\$3,400)	(\$3,400)
<b>TOTAL Funding of Exp.</b>	<b>(\$3,400)</b>	<b>(\$3,400)</b>	<b>(\$3,400)</b>	<b>(\$3,400)</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - TRS	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - TRS	\$3,400	\$3,400	\$3,400	\$3,400

**Effect on County or Other Local Revenues or Expenditures:**

1. None.

**Technical Notes:**

1. New section 5, subsection 2, of SB 353 retroactively prohibits active and inactive TRS members, or TRS benefit recipients from being appointed to the board unless the current board member has been confirmed by the Senate prior to the effective date of SB 353. However, current law does not require TRS Board appointments be confirmed by the Senate; therefore, as of the effective date of SB 353, current board members who are also members of the system would no longer be eligible to serve on the board.
2. The PERS Board has two positions with terms ending in March 2013 and two positions that have not yet been confirmed by the Senate. If four out of seven positions were to turnover at once, this could be detrimental to the continuity of the board.

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*Sponsor's Initials*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Budget Director's Initials*

\_\_\_\_\_  
*Date*