SB10-001

JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE

CONCERNING MODIFICATIONS TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION NECESSARY TO REACH A ONE HUNDRED PERCENT FUNDED RATIO WITHIN THE NEXT THIRTY YEARS.

Prime Sponsors:	Sens. Shaffer B. and Penry Representative Kerr A.	JBC Analyst:	Caroline Smith
		Phone:	303-866-4963
		Date Prepared:	February 11, 2010

Summary of Amendments Made to the Bill After the 02/11/2010 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

XXX	**Concurs**		**Does Not Concur**		**Updated Analysis**

Amendments/Appropriation Status

The bill does not currently include an appropriation clause for FY 2010-11. As indicated on page 4 of the Legislative Council Staff Fiscal Note dated February 11, 2010, the bill is anticipated to reduce Judicial Department expenditures by $81,989 in FY 2010-11. This estimate is based on FY 2008-09 payroll. The actual savings that result from this bill will depend on the staffing levels approved by the General Assembly for FY 2010-11. If this bill is enacted, appropriations for Amortization Equalization Disbursement in the FY 2010-11 Long Bill will be calculated at the lower rate.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

1. Currently, the State's Amortization Equalization Disbursement (AED) contribution is scheduled to increase by 0.4 percent annually until FY 2011-12, and the Supplemental Amortization Equalization Disburement (SAED) is scheduled to increase by 0.5 percent annually through FY 2012-13. Both contribution rates would cap at 3.0 percent. As

discussed in the Legislative Council Staff Revised Fiscal Note dated February 11, 2010, this legislation would continue the incremental increases for AED and SAED until both contributions reach 5.0 percent during FY 2017-08. Therefore, the legislation's impact on State *expenditures* would first occur during FY 2011-12 when the AED contribution rate would first increase beyond its current statutory cap of 3.0 percent.