

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 20, 2005**

**TO:** Honorable Craig Eiland, Chair, House Committee on Pensions & Investments

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB2088** by Riddle (Relating to service and disability benefits for certain state-employed fire fighters.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill defines “fire fighter” as a member of the Employees Retirement System who is employed by the adjutant general as a full-time civilian fire fighter assigned to the 147th Fighter Wing at Ellington Air National Guard Base. This bill would give fire fighters the same benefits and retirement eligibility provisions as law enforcement and custodial officers under both the Employees Retirement System and the Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOS).

ERS estimates that 31 current employees would qualify as firefighters under the bill, and would thereby receive improved retirement benefits. The bill would add \$0.1 million to the unfunded actuarial accrued liability of ERS, and add \$0.5 million to the actuarial liability of LECOS. The annual increased costs to the state for paying these amounts would not be significant.

However, Government Code 811.006 states that if the amortization period of the system is over 30 years, a proposal to make a type of service creditable in ERS may not be adopted if it would increase the amortization period. The ERS actuary estimates that unless the state contribution to ERS is raised to 7.045 percent in 2006 and 7.071 percent in 2007, passage of this bill would violate that provision. The cost of such increased contribution rates would be approximately \$50 million per year.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System, 401 Adjutant General's Department

**LBB Staff:** JOB, SR, WP, WM