

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

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

**May 4, 2005**

**TO:** Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

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

**IN RE: HB2374** by McClendon (Relating to the retirement system for firefighters and police officers in certain municipalities.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated. The bill would make minor improvements to the benefit structure of the the San Antonio Fire and Police Pension Fund (SAFPPF.) Based on the current smoothed asset value, passage of the bill would not require the city of San Antonio to increase pension contributions to SAFPPF. However, unrealized investment losses in excess of \$47.0 million could require increased contributions in the future, even if the benefit structure were not improved. If this occurs, the benefit improvements contemplated in the bill would have an additional annual fiscal impact of approximately \$1.0 million.

**Source Agencies:** 338 Pension Review Board

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