

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 7, 2005

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: SB179 by Wentworth (Relating to retirement benefits for visiting judges.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB179, As Introduced: a negative impact of (\$700,000) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$300,000)
2007	(\$400,000)
2008	(\$300,000)
2009	(\$400,000)
2010	(\$400,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2006	(\$300,000)
2007	(\$400,000)
2008	(\$300,000)
2009	(\$400,000)
2010	(\$400,000)

Fiscal Analysis

The bill would provide a 10 percent benefit factor increase for members of the Judicial Retirement System Plan I (JRS I) and JRS Plan II (JRS II) who were visiting judges at any time in the past for any period of time.

Methodology

The fiscal impact is shown as the estimated increase in annual annuity payments for JRS Plan I judges. Since the plan is not advance funded, but pay-as-you-go funded, the benefit increase is a cost to the General Revenue Fund. This impact would be greater if there were a separate increase in judicial salaries.

There is no fiscal impact shown for JRS II. The proposal would increase the actuarial normal cost, and decrease the actuarial net asset balance, but no direct fiscal impact would occur from the passage of this bill. In combination with other bills, or with a judicial pay raise, there could be a fiscal impact on JRS II resulting from this bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: JOB, SR, WP, WM