

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 25, 2007

TO: Honorable Vicki Truitt, Chair, House Committee on Pensions & Investments

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

IN RE: HB3330 by Haggerty (Relating to eligibility for custodial officer service in the Employees Retirement System of Texas by certain juvenile correctional officers employed by the Texas Youth Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3330, As Introduced: a negative impact of (\$2,209,401) through the biennium ending August 31, 2009.

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
2008	(\$1,083,040)
2009	(\$1,126,361)
2010	(\$1,171,416)
2011	(\$1,218,272)
2012	(\$1,267,003)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable (Cost) from <i>OTHER SPECIAL STATE FUNDS</i> 998	Probable (Cost) from <i>FEDERAL FUNDS</i> 555	Probable (Cost) from <i>STATE HIGHWAY FUND</i> 6
2008	(\$1,083,040)	(\$13,135)	(\$3,582)	(\$94,333)
2009	(\$1,126,361)	(\$13,660)	(\$3,726)	(\$98,106)
2010	(\$1,171,416)	(\$14,207)	(\$3,875)	(\$102,031)
2011	(\$1,218,272)	(\$14,775)	(\$4,030)	(\$106,112)
2012	(\$1,267,003)	(\$15,366)	(\$4,191)	(\$110,356)

Fiscal Analysis

The bill would provide for benefit provisions under the Law Enforcement and Custodial Officers Supplemental (LECOS) Retirement plan to include certain juvenile correctional officers employed at the Texas Youth Commission.

The bill would take effect September 1, 2007 and would not apply to juvenile correctional officers employed by the Texas Youth Commission who retired prior to September 1, 2007.

Methodology

The costs included in the tables above assume an increase in the number of employees covered by LECOS by 2,402 and increases in the projected fiscal year 2008 valuation payroll of LECOS for these employees by \$75.1 million. The calculation reflects 1.59 percent of the \$75.1 million payroll.

Assuming the state would fund the contribution rate required to achieve the 31-year funding period, the cost is estimated at \$20.7 million in General Revenue in fiscal year 2008 and \$21.5 million in General Revenue in fiscal year 2009. Enactment of the bill without sufficient funding to achieve the 31-year funding period would violate statutory funding requirements.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

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