

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 30, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3898 by Anchia (Relating to the funding of public retirement systems.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Government Code to enhance funding policy and funding soundness restoration plan requirements for certain public retirement systems. According to the Pension Review Board, the Teacher Retirement System, and the Employees Retirement System, no significant fiscal impact is anticipated from the provisions of the bill. According to the Actuarial Impact Statement provided by the Pension Review Board, the bill would have a positive actuarial effect on the retirement systems to the extent that those systems and their sponsoring entities adopt and adhere to a funding policy that is actuarially sound.

Local Government Impact

According to the Pension Review Board, a local retirement system and its associated governmental entity may incur administrative costs associated with providing the aggregate analyses of changes made to an original or revised funding soundness restoration plan. The bill allows the associated governmental entity to pay all or part of the costs of these analyses.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 338 Pension Review Board

LBB Staff: JMc, AAL, LCO, JPO