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REVISED FISCAL NOTE

(replaces fiscal note dated May 26, 2020)

Drafting Number: LLS 20-1280 Date: May 27, 2020
Prime Sponsors: Rep. McCluskie; Ransom Bill Status: House Second Reading
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Bill Topic: PERA JUDICIAL DIVISION CONTRIBUTION RATE MODIFICATION

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

Budget package bill. This bill modifies employer and employee contribution rates in the Judicial Division of the Public Employee's Retirement Association (PERA) for FY 2020-21 and FY 2021-22, with an exception for judges employed by the Denver County Court. It will reduce state expenditures in those fiscal years.

Appropriation Summary: The bill includes a reduction in appropriations of \$2.7 million to the Judicial Department in FY 2020-21.

Fiscal Note Status: This fiscal note reflects the introduced bill, as amended by the House Appropriations Committee. It was recommended by the Joint Budget Committee as part of its FY 2020-21 budget balancing package.

Table 1 State Fiscal Impacts Under HB 20-1394

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

Summary of Legislation

This bill modifies employer and employee contribution rates in the Judicial Division of the Public Employee's Retirement Association (PERA) for FY 2020-21 and FY 2021-22 only, with an exception for judges employed by the Denver County Court.

Specifically, the bill:

- decreases the employer contribution rate by 5 percent; and
- increases the employee (or member) contribution rate by 5 percent.

These percentages, compared to current law, are shown in Table 2.

Table 2
Employer and Employee Contribution Rates Under Current Law and HB20-1394

FY 2020-21	Current Law	Bill
Employer	13.91%	8.91%
Employee	9.50%	14.50%

FY 2021-22	Current Law	Bill
Employer	13.91%	8.91%
Employee	10.00%	15.00%

State Expenditures

The bill will decrease state General Fund expenditures by \$2,696,865 in FY 2020-21 and FY 2021-22 only.

Statutory Public Entity

The bill will result in a slight negative actuarial impact to the Judicial Division of PERA, as employee contributions are credited to employee accounts, while employer contributions are credited to the division's trust.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill includes a reduction in General Fund appropriations to the Judicial Department of \$2,696,865 in FY 2020-21.

State and Local Government Contacts

JBC Staff

Judicial

PERA