



Legislative Council Staff  
Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

**Drafting Number:** LLS 21-0947      **Date:** June 18, 2021  
**Prime Sponsors:** Sen. Hansen; Moreno      **Bill Status:** Signed into Law  
Rep. McCluskie; Ransom      **Fiscal Analyst:** Erin Reynolds | 303-866-4146  
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**Bill Topic:** PERA PAYMENT CASH FUND

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

**Budget package bill.** The bill creates the Public Employees' Retirement Association Payment Cash Fund and requires the General Fund portion of the FY 2022-23 direct distribution to be paid from the fund. The bill creates a one-time state transfer in the current FY 2020-21 and state expenditures in FY 2022-23.

**Appropriation Summary:** For the current FY 2020-21, the bill includes an appropriation of \$380.0 million to Office of the State Treasurer.

**Fiscal Note Status:** The fiscal note reflects the enacted bill.

**Table 1  
State Fiscal Impacts Under SB 21-228**

		Current Year FY 2020-21	Budget Year FY 2021-22	Out Year FY 2022-23
<b>Revenue</b>		-	-	-
<b>Expenditures</b>	General Fund	-	-	(\$167.4 million)
	Reappropriated Funds	-	-	
	Cash Funds	-	-	\$167.4 million
	<b>Total Expenditures</b>	-	-	<b>\$0</b>
<b>Transfers</b>	General Fund	(\$380.0 million)	-	-
	Cash Funds	\$380.0 million	-	-
	<b>Net Transfer</b>	<b>\$0</b>	-	-
<b>TABOR Refund</b>		-	-	-

<sup>1</sup> FY 2022-23 expenditures are based on direct distribution amounts in the FY 2021-22 Long Bill.

## **Summary of Legislation**

The bill creates the Public Employees' Retirement Association (PERA) Payment Cash Fund in the State Treasury to consist of money appropriated or transferred by the General Assembly and any interest payments. The State Treasurer is required to pay the General Fund portion of the direct distribution payment due to PERA on July 1, 2022, from the fund. Subject to annual appropriation, money in the fund may be used by the state for any employer contribution or disbursement to PERA.

## **Background**

Pursuant to Senate Bill 18-200, the state is required to make a direct distribution of \$225.0 million on July 1 each year to PERA until the unfunded liabilities of the state, judicial, school, and Denver Public Schools (DPS) divisional trusts are paid. HB 20-1379 suspended the direct distribution for one year. PERA is required to credit these funds proportionally to the relevant divisional trusts based on the reported payroll for each participating division for the prior plan year ending December 31. Every year, PERA must determine the unfunded liability status of each division by September 1, and notify the Office of State Planning and Budgeting and the Joint Budget Committee when a division's unfunded liability has been paid and the direct distribution is no longer required.

## **State Transfers**

The bill appropriates \$380.0 million from the General Fund to the PERA Payment Cash Fund in the current FY 2020-21. This transfer represents an upfront contribution toward future-year PERA direct distribution payments, as described in the State Expenditures section below.

## **State Expenditures**

While the bill does not increase net expenditures for PERA direct distribution payments, it is expected to shift approximately \$167.4 million in required FY 2022-23 spending from the General Fund to the newly created PERA Payment Cash Fund; this amount is based on the fund split in the FY 2021-22 Long Bill. After making the required direct distribution payment to PERA on July 1, 2022, \$212.6 million will remain in the PERA Payment Cash Fund for annual appropriation by the General Assembly.

## **Effective Date**

The bill was signed into law by the Governor and took effect on May 4, 2021.

## **State Appropriations**

For the current FY 2020-21, the bill includes an appropriation of \$380,000,000 from the General Fund to the PERA Payment Cash Fund.

## **State and Local Government Contacts**

Joint Budget Committee

Personnel

PERA

Treasury