

Article I Total, Article I, General Government Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 2 2016-17 Biennial Total		Pended Items 2016-17 Biennial Total		Adopted 2016-17 Biennial Total		Article XI 2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<b>Employees Retirement System (327)</b>								
Total, Outstanding Items / Tentative Decisions	\$ 646,745,059	\$ 861,284,906	\$ -	\$ -	\$ 458,195,257	\$ 635,619,251	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total, Outstanding Items / Tentative Decisions</b>	<b>\$ 646,745,059</b>	<b>\$ 861,284,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 458,195,257</b>	<b>\$ 635,619,251</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total, Full-time Equivalents / Tentative Decisions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Article I, General Government Employees Retirement System (327) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 2 2016-17 Biennial Total		Pended Items 2016-17 Biennial Total		Adopted 2016-17 Biennial Total		Article XI 2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<b>Cost-Out Adjustments:</b>								
1. None.								
<b>Technical Adjustments:</b>								
<b>Performance Review &amp; Other Budget Recommendations</b>								
1. None.								
<b>Agency Requests:</b>								
1. Provide funding to increase the state contribution rate by 4.44 percent from 7.5 percent (included in SB 2) to 11.94 percent each fiscal year to the ERS retirement fund. When combined with the employee contribution rate of 7.2 percent in fiscal year 2016 and 7.5 percent in fiscal year 2017, as well as the 0.5 percent agency payroll contribution, this level of funding would meet the ERS projected average annual actuarially sound contribution rate in each fiscal year of the 2016-17 biennium of 19.79 percent.  The constitution provides a maximum state contribution rate of 10 percent, barring an emergency.  Also revise Rider 1, Information Listing of Appropriated Funds and Rider 4, State Contribution to Employees Retirement Program.  <b>Workgroup did not adopt.</b>	\$ 376,980,960	\$ 538,412,016						

Article I, General Government Employees Retirement System (327) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 2 2016-17 Biennial Total		Pended Items 2016-17 Biennial Total		Adopted 2016-17 Biennial Total		Article XI 2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
2. Provide funding to increase the state contribution rate by 0.96 percent from 0.5 percent (included in SB 2) to 1.46 percent each fiscal year to the LECOS retirement fund. When combined with the member contribution rate of 0.5 percent, and the additional court fee contribution of approximately 1.2 percent, this level of funding would meet the ERS projected average annual actuarially sound contribution rate in each year of the 2016-17 biennium of 3.16 percent.  Also revise Rider 1, Information Listing of Appropriated Funds and Rider 12, State Contribution to the Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOS).  <b>Workgroup did not adopt.</b>	\$ 30,906,986	\$ 31,019,614						

Article I, General Government Employees Retirement System (327) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 2 2016-17 Biennial Total		Pended Items 2016-17 Biennial Total		Adopted 2016-17 Biennial Total		Article XI 2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
3. Provide funding to increase the state contribution rate by 1.277 percent from 15.663 percent (included in SB 2) to 16.94 percent in each fiscal year to JRS-II retirement fund. When combined with the employee contribution rate of 7.2 percent in fiscal year 2016 and 7.5 percent in fiscal year 2017, this level of funding would meet the ERS projected average annual actuarially sound contribution rate in each fiscal year of the 2016-17 biennium of 24.29 percent.  Also revise Rider 1, Information Listing of Appropriated Funds and Rider 5, State Contribution to Judicial Retirement Program (JRS -2).  <b>Workgroup did not adopt.</b>	\$ 1,228,138	\$ 1,983,084						
4. Funding to provide for 60 days of claims in the Group Benefit Program Reserve Fund, per Insurance Code, Sec. 1551.211. Recommendations include spending down the contingency reserve fund balance, projected to be \$331.1 million at the end of fiscal year 2015, by approximately \$231.0 million, leaving an estimated reserve of \$100.0 million at the end of fiscal year 2017.  <b>Workgroup did not adopt.</b>	\$ 237,628,975	\$ 289,870,192						

Article I, General Government Employees Retirement System (327) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 2 2016-17 Biennial Total		Pended Items 2016-17 Biennial Total		Adopted 2016-17 Biennial Total		Article XI 2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
5. Revise Rider 4, State Contribution to Employees Retirement Program to increase the state contribution for each fiscal year of the 2016-17 biennium to 10.0 percent of payroll out of unexpended and unobligated balances in Strategy A.1.1, Retirement Contributions and Strategy B.1.1, Group Insurance remaining at the end of the prior fiscal year.  <b>Workgroup did not adopt.</b>	\$ -	\$ -						
<b>Workgroup Revisions and Additions:</b>								
1. Provide funding to increase the state contribution rate by 2.0 percent from 7.5 percent (included in SB 2) to 9.5 percent each fiscal year to the ERS retirement fund.  A 9.5 percent state contribution, when combined with a 0.5 percent agency contribution would meet the 10 percent constitutional maximum contribution.  Also revise Rider 1, Information Listing of Appropriated Funds and Rider 4, State Contribution to Employees Retirement Program.					\$163,213,573	\$245,415,765		
2. Contingency rider in Article IX to address certain pension-related needs for the Employees Retirement System.					\$294,981,684	\$390,203,486		
<b>Total, Outstanding Items / Tentative Decisions</b>	<b>\$ 646,745,059</b>	<b>\$ 861,284,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 458,195,257</b>	<b>\$635,619,251</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total, Full-time Equivalent / Tentative Decisions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

By: Huffman

## **Employees Retirement System, Article IX**

### **Proposed Rider**

**Contingency for Senate Bill 1941, or similar legislation to address certain pension-related needs for the Employees Retirement System**

Prepared by LBB Staff, 03/25/2015

### **Overview**

Prepare a rider which appropriates \$276,200,156 from the General Revenue Fund, \$18,781,528 from General Revenue-Dedicated funds, \$55,697,356 from Federal Funds, \$3,392,652 from Other Funds, and \$36,131,794 from Fund 6 for the 2016-17 biennium for the purposes of implementing the provisions of Senate Bill 1941, or similar legislation to address certain pension-related needs for the Employees Retirement System, contingent upon its passage.

### **Required Action**

On page IX- of Article IX, add the following new rider:

\_\_\_\_\_. **Contingency for Senate Bill 1941 or Similar Legislation.** Contingent on passage of Senate Bill 1941, or similar legislation relating to addressing certain pension-related needs for the Employees Retirement System, by the Eighty-fourth Legislature, Regular Session, the Employees Retirement System is appropriated \$276,200,156 from the General Revenue Fund, \$18,781,528 from General Revenue-Dedicated funds, \$55,697,356 from Federal Funds, \$3,392,652 from Other Funds, and \$36,131,794 from Fund 6 for the 2016-17 biennium to implement the provisions of the legislation.