

**Fire Fighters' Pension Commissioner
Summary of Recommendations - Senate**

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Sherri Walker, Commissioner

Demetrio Hernandez, LBB Analyst

Method of Financing	2010-11 Appropriations	2010-11 Base	2012-13 Recommended	Biennial Change	% Change
General Revenue Funds	\$1,476,146	\$1,402,339	\$0	(\$1,402,339)	(100.0%)
GR Dedicated Funds	\$0	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$1,476,146</i>	<i>\$1,402,339</i>	<i>\$0</i>	<i>(\$1,402,339)</i>	<i>(100.0%)</i>
Federal Funds	\$0	\$0	\$0	\$0	0.0%
Other	\$76,000	\$77,407	\$0	(\$77,407)	(100.0%)
All Funds	\$1,552,146	\$1,479,746	\$0	(\$1,479,746)	(100.0%)

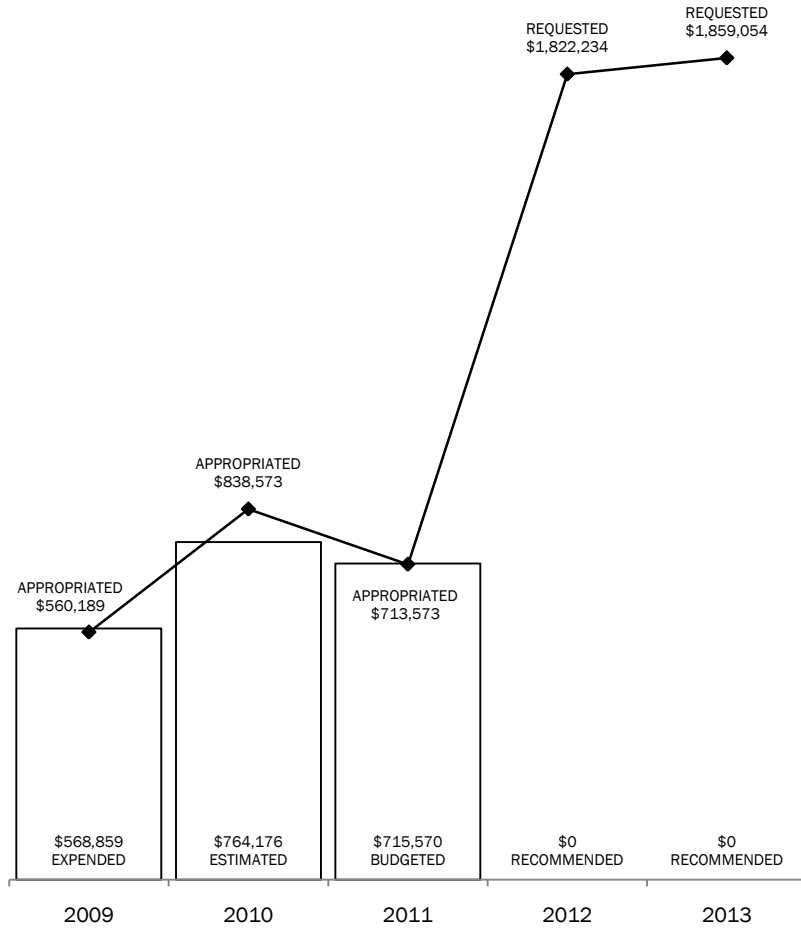
	FY 2011 Appropriations	FY 2011 Budgeted	FY 2013 Recommended	Biennial Change	% Change
FTEs	8.5	8.5	0.0	(8.5)	(100.0%)

The bill pattern for this agency (2012-13 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2012-13 biennium.

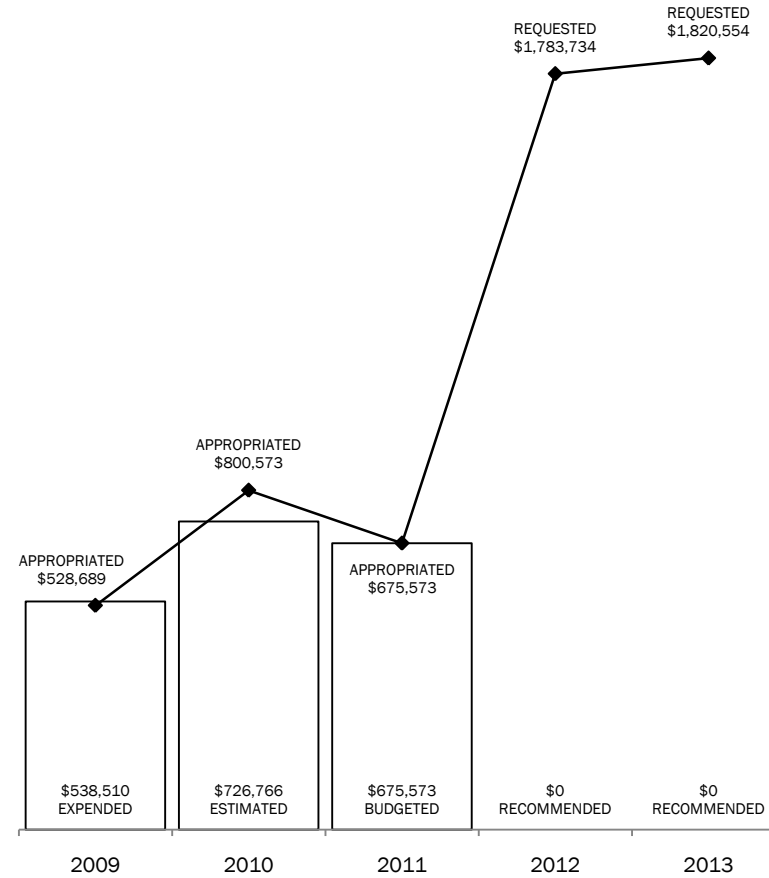
Fire Fighters' Pension Commissioner
2012-2013 BIENNIUM

TOTAL= \$0

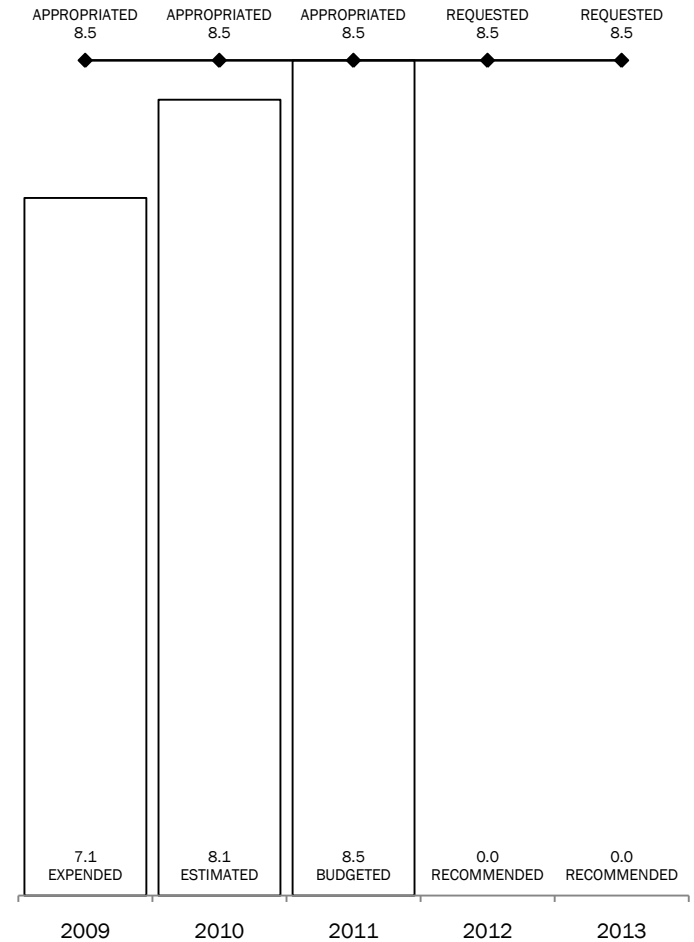
ALL FUNDS



**GENERAL REVENUE AND
GENERAL REVENUE-DEDICATED FUNDS**



FULL-TIME-EQUIVALENT POSITIONS



Fire Fighters' Pension Commissioner
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
					The recommendations are to amend statute to eliminate the Fire Fighters' Pension Commissioner (FFPC) as a stand-alone agency and to transfer the administrative duties of Texas Emergency Services Retirement System (TESRS) to the Employees Retirement System. The agency currently administers TESRS and provides education and assistance to fire departments in the Texas Local Fire Fighters' Retirement Act (TLFFRA) program. The Pension Review Board will assume the agency's TLFFRA education and assistance functions as it currently provides similar services to other public retirement systems statewide.
ADMINISTER PENSION FUND A.1.1	\$1,057,075	\$0	(\$1,057,075)	(100.0%)	
ASSISTANCE & EDUCATION A.2.1	\$422,671	\$0	(\$422,671)	(100.0%)	
Total, Goal A, SOUND PENSION FUNDS	\$1,479,746	\$0	(\$1,479,746)	(100.0%)	
Grand Total, All Strategies	\$1,479,746	\$0	(\$1,479,746)	(100.0%)	

Fire Fighters' Pension Commissioner
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
					The recommendations are to amend statute to eliminate the Fire Fighters' Pension Commissioner (FFPC) as a stand-alone agency and to transfer the administrative duties of Texas Emergency Services Retirement System (TESRS) to the Employees Retirement System. The agency currently administers TESRS and provides education and assistance to fire departments in the Texas Local Fire Fighters' Retirement Act (TLFFRA) program. The Pension Review Board will assume the agency's TLFFRA education and assistance functions as it currently provides similar services to other public retirement systems statewide.
ADMINISTER PENSION FUND A.1.1	\$1,057,075	\$0	(\$1,057,075)	(100.0%)	
ASSISTANCE & EDUCATION A.2.1	\$345,264	\$0	(\$345,264)	(100.0%)	
Total, Goal A, SOUND PENSION FUNDS	\$1,402,339	\$0	(\$1,402,339)	(100.0%)	
Grand Total, All Strategies	\$1,402,339	\$0	(\$1,402,339)	(100.0%)	

**Fire Fighters' Pension Commissioner
Selected Fiscal and Policy Issues**

Fiscal Implications of LBB Recommendations

- The recommendations are to amend statute to discontinue the agency and commissioner's functions, and transfer the administrative duties of the Texas Emergency Services Retirement System (TESRS) to the Employees Retirement System (ERS). Administrative costs for TESRS would be paid for by the TESRS fund's interest earnings, similar to how ERS administers its other trust funds. It is anticipated that paying administrative costs out of the TESRS fund will have an adverse actuarial impact on the system. According to the TESRS' August 31, 2010 actuarial valuation, the funded ratio of the TESRS fund is 80.2 percent, the amortization period is 30 years, and the unfunded actuarial accrued liabilities are \$15,839,412.
- The education and assistance functions of the agency would be assumed by the Pension Review Board, which currently provides similar functions for public pension systems statewide. The Pension Review Board would not receive additional funding as a result of the discontinuation of the Fire Fighters' Pension Commissioner's TLFFRA functions.

Statutory Changes Required to Implement LBB Recommendations

- Transfer of TESRS Administration to ERS – Government Code, Subtitle H, Chapters 861 – 865.
- Commissioner's education and assistance functions under Texas Local Fire Fighters Retirement Act – Article 6243e, Vernon's Texas Civil Statutes.
- Conforming statutory changes and repealers – Government Code, Sections 572.003; 614.152; 802.103; and 2155.148.

**Fire Fighters' Pension Commissioner
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
Cap	8.5	8.5	8.5	0.0	0.0
Actual/Budgeted	7.1	8.1	8.5	NA	NA
Schedule of Exempt Positions (Cap)					
Commissioner, Group 1	\$70,000	\$77,000	\$77,000	\$0	\$0

Reductions in FTEs and Commissioner's salary reflect recommendations to discontinue the agency and the commissioner's functions as a stand alone agency.

State Auditor's Office Report No. 10-706, A Classification Study of Exempt Positions, recommended a salary range of \$80,500 to \$126,600 and a classification of Group 2 for the Commissioner.

Section 4

Fire Fighters' Pension Commissioner (FFPC)
Performance Review and Policy Report Highlights

Reports & Recommendations	GEER Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Is included in the Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

**Fire Fighters' Pension Commissioner
Rider Highlights**

- 2. (new) **Contingency Appropriation Requiring Statutory Changes.** Add rider to reflect recommendations for discontinuing the agency and the commissioner's functions are contingent on the enactment of legislation by the Eighty-second Legislature relating to the modification of Government Code, Subtitle H, related to the Texas Emergency Services Retirement System, and Article 6243e, Vernon's Texas Civil Statutes, related to the Texas Local Fire Fighters Retirement Act.

- 2. (old) **Capital Budget.** Delete rider to reflect recommendations do not include capital budget projects during the 2012-13 biennium.

**Fire Fighters' Pension Commissioner
Items not Included in Recommendations - Senate**

	2012-13 Biennial Total	
	GR & GR- Dedicated	All Funds
1. Agency's baseline funding request for 2012-13.		
a. Strategy 1.1.1: Administer a Pension Fund for Emergency Services Personnel.	\$ 1,057,075	\$ 1,057,075
b. Strategy 1.2.1: Assist and Educate Local Firefighter Pension Fund Boards.	\$ 345,264	\$ 422,264
2. Statutorily required contribution to the Texas Emergency Services Retirement System (TESRS). According to current statute, the state's contribution shall be the amount necessary to make the system actuarially sound each year, but may not exceed one-third of the total contributions by governing bodies in a particular year. According to the August 31, 2010 actuarial valuation of the TESRS fund, TESRS has an actuarially adequate contribution arrangement, assuming the maximum annual contribution by the State to the fund and annual appropriations of approximately \$500,000 for the fund's administrative expenses. According to the same valuation, the funded ratio of the TESRS fund is 80.2 percent, the amortization period is 30 years, and the unfunded actuarial accrued liabilities are \$15,839,412.	\$ 1,849,705	\$ 1,849,705
3. Agency request for additional funding to complete accessibility project for the testing of its web applications and to purchase materials and provide staff training.	\$ 175,000	\$ 175,000
Total, Items Not Included in the Recommendations	\$ 3,427,044	\$ 3,504,044