

SUBCOMMITTEE RECOMMENDATION

Public Employees Retirement System SB 1566 (2018) Report

To: Ways and Means Full Committee
From: General Government Subcommittee
Carrier: Senator Golden

On February 15, the General Government Subcommittee recommended acknowledging receipt of a report from the Public Employees Retirement System on Senate Bill 1566 from the Legislative Session in 2018.

SB 1566 was enacted to help address the PERS Unfunded Accrued Liability. The measure established an Employer Incentive Fund to be used for a 25% match for side account contributions, established a School Districts Unfunded Liability Fund for a pooled side account, and created an Unfunded Accrued Liability Resolution program to assist employers in addressing their individual unfunded liabilities.

The School Districts Unfunded Liability Fund has yet-to-receive enough revenue to begin offsetting school district employer contributions. The fund currently has a balance of \$120.8 million.

After increasing employer side accounts by \$342.4 million last biennium, the Employer Incentive Fund is expected to solicit another round of applications for the current biennium. The success of this solicitation will depend upon the availability of state matching funds, which is currently forecasted to be \$19.5 million in sports betting revenue.

The Unfunded Actuarial Liability Resolution Program has been effective in helping individual employers develop a plan to improve their funded status.

The General Government Subcommittee recommends approval.