

**BILL SUMMARY**  
1st Session of the 54<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 847</b>
<b>Version:</b>	<b>Engrossed</b>
<b>Request Number:</b>	<b>n/a</b>
<b>Author:</b>	<b>Rep. Scott Martin / Sen. Jolley</b>
<b>Date:</b>	<b>4/9/2013</b>
<b>Impact:</b>	<b>FY-14 Budget Impact: \$0</b>

**Research Analysis**

The engrossed version of SB 847 creates the Oklahoma Pension Stabilization Fund. The measure requires the Oklahoma Office of Management and Enterprise Services to transfer to the Oklahoma Pension and Stabilization Fund any surplus funds that are in excess of the amount required to be deposited into the Constitutional Reserve Fund. The fund may use said monies to, upon legislative authorization, pay off the unfunded liability of any of the state's pension systems that are funded at or below ninety percent. Priority must be given to the system with the lowest funded ratio. The measure contains an emergency clause.

Prepared By: Kyle Meade

**Fiscal Analysis**

SB 847 creates the Oklahoma Pension Stabilization Fund, creates a funding mechanism and specifies how such funds can be allocated and appropriated by the Legislature. The funding mechanism identifies for deposit, general revenue collections that exceed both the Board of Equalization Estimate and the allowable Rainy Day Deposit; traditionally referred to as "spillover funds." The measure addresses a rare revenue phenomenon; spillover funds have existed only 3 times in the last 15 fiscal years. No spillover funds are currently available for implementation in the FY-14 budget therefore the measure would have no impact on the FY-14 State Budget or Appropriations. The measure would not reduce state revenue or the likelihood of spillover funds. The measure only directs that such funds be expended for certain purposes.

Prepared By: John McPhetridge

**Other Considerations**

The measure establishes a potential funding source to reduce unfunded pension liability. Any additional funds flowing to the state pension systems would improve the actuarial soundness of the systems. Specific estimates related to actuarial impact are undeterminable; based on the speculative nature of occurrence and magnitude of future spillover funds.