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 DATE PREPARED: February 28, 2011
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LB 679

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB679 provides that all judges and state patrol officers hired after July 1, 2011 would be members of the State Employee Retirement Plan which is a Cash Balance Plan. As part of the State Cash Balance Plan, new judges and new patrol officers would contribute 4.8% of compensation and the employer matches at 156% or 7.488%.

Currently the state patrol officers contribute 16% of compensation and the employer matches at 16%. The State Patrol estimates their savings as the employer to be \$985 for each new officer employed after July 1, 2011.

Currently judges contribute a range of 4% to 9%. The match is provided by court fees. Under the provisions of LB679 the match will continue to be paid by court fees but the amount cannot be estimated

An actuarial study is necessary to determine the fiscal impact to the plans. The cost of the study is estimated by the Nebraska Public Employees Retirement System (NPERS) to be \$45,000.

NPERS indicates additional one-time operating costs and an additional 1.0 FTE retirement specialist.

It is not clear that additional staff would be required. There is no increase in total state patrol or judges' membership as a result of LB680 and, record keeping for the Cash Balance Plan is done by a third-party provider.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	2/28/11	PHONE	471-2526
COMMENTS					
NEBRASKA EMPLOYEE RETIREMENT SYSTEM: Agency's estimates appear to be reasonable. NEBRASKA STATE PATROL: Agency's estimate of impact appears to be reasonable.					