

PREPARED BY: Bill Biven, Jr.
 DATE PREPARED: March 14, 2023
 PHONE: 402-471-0054

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB406 amends §16-1024 & §16-1025 to change retirement system contribution rates for firefighters of cities of the first class.

Beginning October 1, 2023, & until October 1, 2025, each firefighter participating in a retirement system will contribute to the retirement system a sum equal to XXXXX percent of the participating firefighter's salary. Beginning October 1, 2025, each firefighter participating in a retirement system will contribute to the retirement system a sum equal to XXXXX percent of the participating firefighter's salary.

Beginning October 1, 2023, & until October 1, 2025, each city of the first class with firefighters participating in a retirement system will contribute to the retirement system a sum equal to XXXX percent of each participating firefighter's periodic salary. Beginning October 1, 2025, each city of the first class with firefighters participating in a retirement system will contribute to the retirement system a sum equal to XXXX percent of each participating firefighter's periodic salary.

There might be a fiscal impact once the percents are determined & should be minimal but until then, the impact would be only at the cities of the first-class.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 406	AM:	AGENCY/POLT. SUB: Nebraska Public Employees Retirement Systems	
REVIEWED BY: Ryan Walton	DATE: 1/26/2023	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with the Nebraska Public Employees Retirement Systems assessment of no fiscal impact to the agency from LB 406.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 406	AM:	AGENCY/POLT. SUB: City of Norfolk	
REVIEWED BY: Ryan Walton	DATE: 1/20/2023	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with the City of Norfolk assessment of fiscal impact from LB 406. Ultimately, there is an indeterminate fiscal impact until both the contribution rates of the plan are determined, and actuarial valuation studies are completed.			

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 406

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Employees Retirement Systems (NPERS)-085

Prepared by: ⁽³⁾ Teresa Zulauf Date Prepared: ⁽⁴⁾ 1/25/2023 Phone: ⁽⁵⁾ 402-471-7745

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB406 changes the contribution rates for firefighters of cities of the first class.

LB406 does not amend or change the retirement plans administered by the NPERS.

No fiscal impact to NPERS Agency 085 operations expenditures.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 406

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Norfolk

Prepared by: ⁽³⁾ Randy Gates Date Prepared: ⁽⁴⁾ January 19, 2023 Phone: ⁽⁵⁾ (402)844-2011

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$26,798/1%		\$27,838/1%	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$26,798/1%</u>		<u>\$27,838/1%</u>	

Explanation of Estimate:

LB 406 changes the contribution rates both employer and employee contributions to 1st class city fire retirement plans beginning October 1, 2023 and again on October 1, 2025. The contribution percentages are currently in the bill as XXXX percent. Because the contribution percentage is currently not specified, I'll provide the impact for each 1% change in contribution rate. The City's budgeted fire payroll and pension contributions normally approximates actual.

For FYE 2023 the City budgeted its 13% contribution to the Fire Retirement Plan at \$335,366. Each 1% change in contribution rate will change the City's Fire Retirement Plan contribution by \$25,797. The City's average growth rate in covered payroll and resulting retirement plan contributions for the last 10 FYs is 3.88%. Inflating the estimated FYE 2023 additional City fire retirement plan contribution of \$25,797 per each 1% change in contribution rate at 3.88% for the next 2 FYs results in an estimated increase in the City's fire retirement plan contributions of \$26,798 for FYE 2024 and \$27,838 for FYE 2025.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....			\$26,798/1%	\$27,838/1%
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$26,798/1%</u>	<u>\$27,838/1%</u>

