

Kathy Tenopir January 31, 2011 471-0058

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		See Below		See Below		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS		See Below	-	See Below		
TOTAL FUNDS						

<sup>\*</sup>Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB382 changes the contribution rates for the School Employee Retirement Plan and the State Patrol Retirement Plan.

LB382 increases the employee contribution rate to the School Employee Retirement Plan by 1% per year for 2 years and therefore the employer contribution rate which is a 101% match.

School Employee Plan	Current	Current	LB382	LB382
	Employee	Employer	Employee	Employer
FY2010-11	8.28	8.3628	8.28	8.3628
FY2011-12	8.28	8.3628	9.28	9.3728
FY2012-13	8.28	8.3628	9.28	9.3728

It is estimated that the increase in the employee and employer contribution rate for the School Employee Retirement Plan will generate \$31,540,131 in revenue per year. The projected shortfall in the School Employee Retirement Plan based on the latest actuarial analysis is estimated at \$20,434,120 for FY12 and \$50,072,180 for FY13,

LB382 increases the employee and employer contribution rates for the State Patrol Retirement Plan by 3% per year for 2 years.

State Patrol Plan	Current	Current	LB382	LB382
	Employee	Employer	Employee	Employer
FY2010-11	16.0	16.0	16.0	16.0
FY2011-12	16.0	16.0	19.0	19.0
FY2012-13	16.0	16.0	19.0	19.0

It is estimated that the increase in the employee and employer contribution rate for the State Patrol Retirement Plan will generate \$1,657,502 in revenue per year. The projected shortfall in the State Patrol Retirement Plan based on the latest actuarial analysis is estimated at \$968,652 for FY12 and \$2,273,390 for FY13.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	1/24/11	PHONE 471-2526
COMMENTS			
NE STATE PATROL – Agree with a	gency's estimate of impact.		
continued next page			
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#### DEPARTMENT OF ADMINISTRATIVE SERVICES

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REVIEWED BY	Gary Bush	1/28/11	PHONE 471-2526				

# COMMENTS

## **NE EMPLOYEES' RETIREMENT SYSTEM:**

LB382 increases contributions for two years. The amount of contributions generated is based upon the employee salary. For purposes of LB382, the estimated salary is based upon the salary used by the PERB actuary in a November 2010 report.

School Employee Retirement Plan

	FY2011-12	FY2012-13
Salary	\$1,626,794,258	\$1,691,387,560
Employee	\$16,267,943	\$16,913,876
Employer	\$16,430,622	\$17,083,014

## State Patrol Retirement Plan

	FY2011-12	FY2012-13
Salary	\$26,768,750	\$27,837,500
Employee	\$803,063	\$835,125
Employer	\$803,063	\$835,125

# FISCAL NOTE LB382 nebraska state patrol

JAN 24 2011

# LEGISLATIVE FISCAL

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Prepared By	little, john
Date Prepared	1/24/2011
Prepared Phone	402-479-4945

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	628,798.00		653,903.00	
Cash Funds	174,265.00		181,222.00	
Federal Funds				·
Other Funds				
Total Funds	803,063.00		835,1253.00	

## **Explanation of Estimate:**

LB382 contains the following provisions:

Commencing July 1, 2011, and until July 1, 2013, each officer while in the service of the Nebraska State Patrol shall pay or have paid on his or her behalf a sum equal to nineteen percent of his or her monthly compensation.

Commencing July 1, 2011, and until July 1, 2013, there shall be assessed against the appropriation of the Nebraska State Patrol a sum equal to the amount of nineteen percent of each officer's monthly compensation which shall be credited to the State Patrol Retirement Fund.

State Patrol officers are currently contributing 16% of his or her monthly contribution to the State Patrol Retirement Fund.

This additional amount to be assessed against the appropriation of the Nebraska State Patrol has been included in Governor Heineman's budget recommendation for the State Patrol

**Major Objects of Expenditure** 

	Number of Positio		FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits	803,063.00	835,125.00
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total	803,063.00	835,125.00

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# JAN 2 7 2011 LB382 ISLATIVE FISCA **FISCAL NOTE** Nebraska Employee Retirement System

Prepared By	Gerke, Randy
Date Prepared	1/20/2011
Prepared Phone	402-471-9495

#### Estimate Provided By State Agency or Political Subdivision

	FY 201	FY 2011-2012		2-2013	
	Expenditures	Revenue	Expenditures	Revenue	
General Funds					
Cash Funds					
Federal Funds					
Other Funds					
Total Funds					

#### **Explanation of Estimate:**

LB 382 will not have a fiscal impact on the operating budget for the Nebraska Public Employee Retirement System.

The following is a result calculation based on the reported School compensation to NPERS for the 09-10 Fiscal Year. This estimate results in an increase of \$15,690,089 employee contributions and an increase of \$15,846,989 employer contributions. Total increase in contributions per Fiscal Year is \$31,537,078

#### Calculation:

Reported Compensation X Rate Increase = Est. Contribution increase/fiscal yr (FY).

 $1,569,008,906 \times .01 = $15,690,089$ 

Est. Contribution increase/FY X 101% = Employer Contribution Increase/FY

 $15,690,089 \times 1.01 = $15,846,989$ 

The following is a result calculation based on the reported State Patrol compensation to NPERS for the 09-10 Fiscal Year. This estimate results in an increase of \$828,605 each for both employee and employer contributions per year. Total = \$1,657,210 per fiscal year.

#### Calculation:

Reported Compensation X Rate Increase = Contribution Increase/fiscal yr (FY)

 $27,620,178 \times .03 = $828,605$ 

#### Major Objects of Expenditure

	Number of Positions		FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Donofito		
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		