

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	24,250			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	24,250			

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

LB305 amends the State Patrol Retirement Plan as follows.

1. Changes the amortization method for the unfunded liability from level dollar to level percent of pay.
2. Creates a new tier of reduced benefits for officers hired on or July 1, 2013.
  - a. The final average salary is averaged over 5 years versus the current 3.
  - b. The cost-of-living adjustment (COLA) is changed to 1% versus the current 2.5%

An actuarial analysis is necessary to determine the fiscal impact of the proposed changes.

The Nebraska Public Employees Retirement System (NPERS) has estimated the one-time costs of implementation to be as follows.

1. \$5,000 for the actuarial analysis. (Cash Fund)
2. \$19,250 for IT programming changes. (Cash Fund)

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 305	AM:	AGENCY/POLT. SUB: NPERS	
REVIEWED BY: Gary Bush		DATE: January 25, 2013	PHONE: 471-4161
COMMENTS: Agency's estimate of impact appears to be reasonable.			

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

**2013**

**LB<sup>(1)</sup> 305 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> NPERS

Prepared by: <sup>(3)</sup> Randy Gerke Date Prepared: <sup>(4)</sup> 01/25/2012 Phone: <sup>(5)</sup> 402 471-9495

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	\$24,520	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	\$24,520	_____	_____	_____

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB305 amends the State Patrol Plan by changing the amortization of the unfunded liability from a level dollar to a level percentage of pay. It also adds a new tier of benefits for newly hired members. This will require an actuarial study to determine the fiscal impact of this legislation. The Actuary estimates the cost for this study to be \$5,000.

NPERS also estimates that it would take 256 hours of IT programming (defining, coding and testing) to make these changes. We have used the OCIO rate of \$76.25. The total amount for programming would be \$19,520.

Both of these operating costs are one-time costs for implementing this bill.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	\$24,520	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	\$24,520	_____