

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	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.**

LB1005 amends statutes relating to the Retirement System for Nebraska Counties and the School Employees Retirement System. LB1005 provides a process for employer (county or school district) removal or withdrawal, in whole or in part, from their respective retirement systems.

LB1005 provides that any governmental entity (county or school district) contemplating a business transaction that may result in no longer qualifying under section 414(d) of the Internal Revenue Code shall notify the Public Employees Retirement Board (PERB), in writing, as soon as possible, but no later than 180 days.

The PERB is to determine:

- whether the entity’s contemplated business transaction will cause the entity to no longer qualify under section 414(d) of the Internal Revenue Code,
- whether the contemplated business transaction constitutes a plan termination by the entity,
- the potential funding obligation of the retirement system to provide benefits for the affected plan members,
- the cost of any actuarial study necessary to determine the amount of such obligation, and
- the administrative costs that will be incurred by the PERB or the Nebraska public employees Retirement Systems (NPERS) in connection with the entity’s removal from the retirement system.

The entity (county or school district) is responsible for:

- the cost of any actuarial study necessary to determine the obligation of the retirement system to provide benefits for the affected plan members,
- funding any obligation of the retirement system to provide benefits for the affected plan members, and
- any administrative costs incurred by PERB and NPERS.

As cited above, the county or school district is responsible for all costs associated with removal or withdrawal, in whole or in part, from their respective retirement systems. If PERB/NPERS is to be reimbursed by the county or school district, the expenditure authority for PERB/NPERS would have to be increased on a one-time basis per occurrence.

Pursuant to Legislative Rule 5, Section 15, an actuarial study may be necessary.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 1005	AM:	AGENCY/POLT. SUB: NPERS
REVIEWED BY: Neil Sullivan	DATE: 1/25/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: LB1005 would require NPERS to provide an estimate of costs for actuarial study and administrative expenses. Although the notifying entity would be liable for these costs, NPERS would be responsible for incurring the initial cost. Concur with NPERS that costs should offset resulting in no net fiscal impact.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1005	AM:	AGENCY/POLT. SUB: Sarpy County
REVIEWED BY: Neil Sullivan	DATE: 1/25/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: No basis to disagree with the Sarpy County estimate of no fiscal impact from LB 1005 assuming continued participation and qualification.		

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

**2018**

**LB<sup>(1)</sup> 1005**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Teresa Zulauf Date Prepared: <sup>(4)</sup> 1/23/2018 Phone: <sup>(5)</sup> 402-471-7745

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

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	0	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	0	_____	_____	_____

Explanation of Estimate: **No fiscal impact to NPERS Agency 085 operations expenditures**

LB1005: This bill addresses certain employers' withdrawal from the county and school plans, the assessment of plan liabilities, and the PERB's authority to act in such matters. The bill currently states that the employer is responsible for any actuarial studies deemed necessary, funding any obligations to provide retirement benefits for the affected plan members and any administrative costs incurred by NPERS and the Board.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</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.

**2018**

**LB<sup>(1)</sup> 1005**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Sarpy County, Nebraska

Prepared by: <sup>(3)</sup> Brian Hanson Date Prepared: <sup>(4)</sup> 1-19-2018 Phone: <sup>(5)</sup> 402-593-2349

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

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	No Fiscal Impact	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate Sarpy County does not operate a County Hospital or similar facility identified in Section 23-3501. In addition, Sarpy County is not contemplating a business transaction that may result in no longer qualifying Under Section 414(d) of the Internal Revenue Code.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____