

Revised due to amendments adopted through 4-9-19

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$73,810	\$140,485		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$73,810	\$140,485		

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

LB31, as amended, requires the Public Employees Retirement Board (PERB), in consultation with stakeholders, to develop a work plan to transfer the management of the Omaha School Employee Retirement System (OSERS) to the PERB. The work plan shall include a detailed analysis and recommendations regarding:

- Management, administration, actuarial service, information technology, computer infrastructure, accounting, member data, and record transfer;
- Necessary statutory changes;
- Staff training and assessment of staffing needs;
- Educational and communication plans to fully inform all system stakeholders;
- Timeframes for an orderly transition and implementation;
- Cost estimates associated with the management transition;
- A comparison of current annual cost to administer the OSERS plan versus the cost for the PERB to administer the OSERS plan.

Management does NOT include

- A merger or consolidation of OSERS with the School Employees Retirement System or any other retirement system administered by the PERB; or
- An assumption of any liability for OSERS by the State of Nebraska, the PERB, or the Nebraska Public Employees Retirement System (NPERS).

The cost of the work plan is to be paid by Omaha Public Schools (OPS).

The Class V School Employees Retirement System Management Work Plan Fund is created. The fund is administered by the PERB and shall consist of amounts transferred from OPS for all work performed by the PERB for services and related expenses for completion of the work plan.

The Nebraska Public Employees Retirement System (NPERS) has estimated the cost of developing a work plan to be \$140,485. The estimate includes staff time and travel necessary to gather and analyze the appropriate information. The estimate also includes contractual information technology (IT) services to analyze the data and IT systems' needs (\$73,410). There is no basis to disagree with the estimate. Increased expenditures for NPERS would include IT and travel.

The Omaha Schools Retirement System (OSERS) indicates that hours worked by its staff should not be expensed to OSERS' trust fund. LB31, as amended, provides for reimbursement by OPS for OSERS costs associated with staff time necessary to provide information to complete the work plan.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 31	AM:	AGENCY/POLT. SUB: OSERS
REVIEWED BY: Neil Sullivan	DATE: 1/28/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the OSERS estimate of indeterminate fiscal impact from LB 31.		

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

2019

LB⁽¹⁾ 31-Revised (March 13, 2019)

FISCAL NOTE

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

Prepared by: ⁽³⁾ Teresa Zulauf Date Prepared: ⁽⁴⁾ February 4, 2019 Phone: ⁽⁵⁾ 402-471-7745

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	\$140,485	\$140,485	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$140,485</u>	<u>\$140,485</u>	_____	_____

Explanation of Estimate:

In order to fulfill the requirements of LB 31, NPERS will need spending authority for \$140,485.

The NPERS management team determined the number of hours it would take to gather the necessary information from Omaha Public Employees Retirement Systems (OSERS) and complete the work plan. This amount is \$66,675 for salaries.

NPERS will need to contract with outside sources to assist with the Information Technology services. NPERS has received an estimate from Perspecta for \$73,410 to help with analyzing the data and systems needs. Perspecta is the company that owns the Clarety Pension Administration Software that was used to develop NPRIS (Nebraska Public Retirement Information System). Perspecta will provide NPERS a resource with a high-level functional knowledge of the system and a programming background. Perspecta would work both on-site and remotely with all parties involved to analyze the project. NPERS does not have the IT resources to complete this project while still providing the necessary IT support for the pension plans that are currently administered.

NPERS management would need to travel to Omaha to obtain a better of understanding of OSERS processes. NPERS has included \$400 for travel.

The funds for this bill would need to come from Omaha Public Schools (OPS).

LB 31- NPERS to provide a work plan relating to the transfer of OSERS to NPERS.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</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.

2019

LB⁽¹⁾ 31

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Omaha School Employees' Retirement System (OSERS)

Prepared by: ⁽³⁾ Cecelia M. Carter Date Prepared: ⁽⁴⁾ 01.17.2019 Phone: ⁽⁵⁾ 531.299.9423
Executive Director

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Exact expenditures are difficult to estimate at this time.

OSERS staff will track the number of hours it devotes to assignments related to the study called for in LB 31.

Staff's current hourly rates are as follows:

1. One @ \$72.974674 / hour (40 hours = \$2,918.99)
2. One @ \$44.825642 / hour (40 hours = \$1,793.03)
3. Two @ \$27.355943 / hour (40 hours = \$2,188.48)

Hours worked by staff on this study should not be expensed to the trust fund (and its members).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u> <u>EXPENDITURES</u>	<u>2020-21</u> <u>EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____