

Revised to reflect AM929

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				See Below
TOTAL FUNDS				See Below

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

AM929 will increase the funding for the Judges Retirement Plan through a contribution based on member compensation that will be capped at 5% based off of the most recent annual actuarial valuation report starting in FY2023-24. Some court fees will be increased starting July 1, 2021, others will gradually increase over the next five years. Criminal and traffic cases will maintain the current fees listed in §24-703.

**FISCAL IMPACT:**

Due to when court fees are received, the full estimated revenue increase will not be realized until the following fiscal year. The State Supreme Court estimates the following revenue increases to the Nebraska Retirement Fund for Judges:

- FY22-23: \$875,912
- FY23-24: \$1,130,180
- FY24-25: \$1,298,664
- FY25-26: \$1,391,528
- FY26-27: \$1,423,951

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 17	AM: 929	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Neil Sullivan	DATE: 4/23/2021	PHONE: (402) 471-4179	
COMMENTS: The Supreme Court assessment of fiscal impact from fee increases and General Fund impact from a percent of payroll state contribution from LB 17 as amended by AM 929 appears reasonable. Actuarial analysis would be needed to determine the full General Fund impact to the state's actuarial required contribution (ARC).			

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

2021

LB<sup>(1)</sup> 17 AM929

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Teresa Zulauf Date Prepared: <sup>(4)</sup> 4-28-21 Phone: <sup>(5)</sup> 402-471-7745

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	0	_____	0	\$875,912
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	0	_____	0	\$875,912

Explanation of Estimate:

No fiscal impact to NPERS Agency 085 operations expenditures.

Legislative Bill 17 changes the amortization period in the Defined Benefit Plans from 30 years to 25 years based on the recommendation of the actuary.

**AM929:** Provides additional guidance and restrictions on how the annual 5% state contribution works. Requires the actuary to consider the 5% state contribution as a contribution when the amount of the ARC is calculated to ensure the 5% contribution is subtracted from the ARC amount the State must pay.

Specifies the amount as 5% of total compensation except as adjusted or terminated by the Legislature. Specifies that no adjustment to the contribution rate shall cause the total compensation rate to exceed 5%.

Requires the actuary's recommended adjustment and analysis to be provided to the Legislature, Governor and Supreme Court. Legislative Retirement Committee is required to determine the amount of any contribution rate adjustment, and, if necessary, propose any adjustment to the Legislature.

Court Fees Per the Supreme Court

Estimated revenue increase:

FY22-23	\$ 875,912
FY23-24	1,130,180
FY24-25	1,298,664
FY25-26	1,391,528
FY26-27	1,423,951

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL</b> .....				

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

**2021**

**LB<sup>(1)</sup> 17 AM978**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Teresa Zulauf Date Prepared: <sup>(4)</sup> 4-28-21 Phone: <sup>(5)</sup> 402-471-7745

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	0	_____	0	0
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	_____	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

No fiscal impact to NPERS Agency 085 operations expenditures.

Legislative Bill 17 changes the amortization period in the Defined Benefit Plans from 30 years to 25 years based on the recommendation of the actuary.

**AM 978** removes a use of the word "criminal" that was missed in AM 929.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</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.

**2021**

**LB<sup>(1)</sup> 17, AM929, 978**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 4/22/2021 Phone: <sup>(5)</sup> 402-326-9215

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	See Below
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB17, as amended by AM929 & 978, increases funding for the judges retirement plan through:  
 1. An additional General Fund contribution to the Nebraska Retirement Fund for Judges based on member compensation, beginning FY23-24. AM929 includes an amount capped at 5% of total annual compensation based on the most recent annual actuarial valuation report. The Actuarial Valuation Report as of July 1, 2020 for the Judges Retirement System estimates 7/1/20 payroll at \$25,249,097. One percent of compensation would result in a contribution of approximately \$252,000. Without factoring in future salary increases, 5% would be \$1,260,000.  
 2. Increases in several court fees beginning 7/1/21. Some gradually increase over five years. However, AM929 & 978 also maintains the current fee in statute Section 24-703 for criminal and traffic cases.

**Estimated revenue increase:**

FY22-23	\$ 875,912
FY23-24	1,130,180
FY24-25	1,298,664
FY25-26	1,391,528
FY26-27	1,423,951

Note: Although some revenue will accrue beginning 7/1/21, due to when court fees are received, the full estimated revenue increase will not be realized until the following fiscal year. For example, the estimated revenue from fee increases effective 7/1/21 is shown in FY22-23.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

<b>Benefits</b> .....	_____	_____	_____	_____
<b>Operating</b> .....			_____	_____
<b>Travel</b> .....			_____	_____
<b>Capital outlay</b> .....			_____	_____
<b>Aid</b> .....			_____	_____
<b>Capital improvements</b> .....			_____	_____
<b>TOTAL</b> .....			_____	_____