

PREPARED BY: Bill Biven, Jr.
DATE PREPARED: January 28, 2025
PHONE: 402-471-0054

LB 295

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	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.

LB295 amends several sections to redefine:

- terms and change provisions relating to termination
- documents used to demonstrate United States citizenship or lawful presence in the United States
- repayment of gross distributions or benefits
- cost-of-living adjustments
- deadlines for filing forms relating to survivorship annuities
- employee leave for preretirement planning programs under the County Employees Retirement Act, the Judges Retirement Act, the School Employees Retirement Act, the Class V School Employees Retirement Act, the Nebraska State Patrol Retirement Act, & the State Employees Retirement Act

LB295 also:

- changes a definition in the Spousal Pension Rights Act
- restates legislative intent under the Nebraska State Patrol Retirement Act
- changes the provisions relating to calling meetings of the Public Employees Retirement Board (PERB) & paying the per diems & expenses for members of the Board
- changes the provisions relating to demonstrating United States citizenship or lawful presence in the United States for participation in a deferred compensation plan

NO FISCAL IMPACT.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 295	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Ryan Walton		DATE: 1/29/2025	PHONE: (402) 471-4174
COMMENTS: The Supreme Court's assessment of no fiscal impact from LB 295, appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 295	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Ryan Walton		DATE: 1/30/2025	PHONE: (402) 471-4174
COMMENTS: The Department of Education's assessment of no fiscal impact to the agency from LB 295, appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 295	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Walton		DATE: 1/29/2025	PHONE: (402) 471-4174
COMMENTS: The Department of Revenue's assessment of no fiscal impact to the agency from LB 295, appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 295	AM:	AGENCY/POLT. SUB: State Patrol	
REVIEWED BY: Ryan Walton		DATE: 1/27/2025	PHONE: (402) 471-4174
COMMENTS: The State Patrol's assessment of no fiscal impact from LB 295, appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 295	AM: 778	AGENCY/POLT. SUB: Nebraska Public Employees Retirement Systems (NPERS)	
REVIEWED BY: Ryan Walton		DATE: 1/24/2025	PHONE: (402) 471-4174
COMMENTS: Disagree with NPERS assessment of fiscal impact from LB 295. The fiscal impact of LB 295 is indeterminate. Current Personal Service Limitation (PSL) expenditures may be increased for Program 42 if the Board is to receive per diem for attendance at any meeting of the board, as the bill suggests. The Board has several sub-committee meetings beyond the monthly public meeting throughout the fiscal year. The per diem expenditures for the program would be applicable to all meetings board members participate in under this bill, as introduced.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 295	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Ryan Walton		DATE: 1/21/2025	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with NACO's assessment of no fiscal impact from LB 295.			

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: ⁽⁴⁾ 1/28/25

Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

No fiscal impact to NDE.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials

Prepared by: ⁽³⁾ Elaine Menzel

Date Prepared: ⁽⁴⁾ 1/ 20/2025

Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 295 updates all state-administered retirement plans to clarify citizenship documents, repayment of gross distributions, and leave to attend financial planning sessions. No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:	LB			
	NUMBER OF POSITIONS		2025-26	2026-27
POSITION TITLE	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2025

LB⁽¹⁾ 295

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Employees Retirement Systems (NPERS)-
085

Prepared by: ⁽³⁾ Teresa Zulauf Date Prepared: ⁽⁴⁾ 1/23/25 Phone: ⁽⁵⁾ 402-471-7745

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	0	0	0	0
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	0	0

Explanation of Estimate:

LB 295-Changes to the retirement plans.

New language provides that someone is paid a benefit and is determined to not have retired, the benefit is to be paid back unless it was an inadvertent overpayment. IO defined by IRS.

Language adding learner's permit as acceptable proof of lawful presence for non-immigrant retirement participation; allows for extension of document expiration by non-documentation source.

Adds OSERS to Spousal Pension Rights Act for QDROs.

Adds current practice of including leave of absence pay in compensation definition for school plan. Codifies currently used part-time vs full time plan participation test.

Allows for separate payments made to multiple death beneficiaries.

OSERS covered employees remain in plan upon returning to part time.

Clarifies what annuity gets COLA in OSERS.

Removes deadline to elect annuity benefit option in school plan for death benefit.

Clarifies educational attendance days are comprised of certain number of hours, not vague day label.

Allows chair, vice chair, to call meetings in agreement with PERB policies. Adds mileage for PERB reimbursement and travel per diem day.

Adds requirements for half day education option to include educational videos as part of day educational curriculum.

Adds anti-association language for NPERS plan marketing.

No fiscal impact to NPERS Agency 085 operations expenditures.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:				
Approved by: James R. Kamm		Date Prepared: 01/28/2025		Phone: 471-5896				
	FY 2025-2026			FY 2026-2027			FY 2027-2028	
	Expenditures	Revenue		Expenditures	Revenue		Expenditures	Revenue
General Funds		\$ 0			\$ 0			\$ 0
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ 0			\$ 0			\$ 0

LB 295 changes provisions relating to the Nebraska Retirement Systems members for county, judges, school employees, Class V school employees, state patrol, and state employees.

LB 295 provides an exception to repayment of the retirement benefit received by a member when the board determines that termination of employment has not occurred or returning to service prior to having a 120-day break in service determines any portion or all the benefit was a result of an inadvertent overpayment.

LB 295 adds additional documentation to list of acceptable proof that the employee is lawfully present in the United States and may participate in the retirement system. Valid documentation would include a document indicating the expiration date has been extended and valid by the United States Department of Homeland Security or the United States Citizenship and Immigration Services. Also, a state-issued motor vehicle learner's permit has been added to prove United States citizenship or lawful presence in United States.

LB 295 adds a provision a person will remain a deemed regular employee regardless of hours worked thereafter when a person hired by employer or under contract to provide service for less than 30 hours a week but provides service for an average of 30 or more per week for three calendar months of a fiscal year. Provides guidance in calculation of the 20 hour per week used in the definition of regular employee hired by public school or under contract on an ongoing basis. Clarifies by specifying “Formula” annuity regarding a cost-of-living adjustment for the employees of Class V school districts who became members on or after July 1, 2013.

LB 295 clarifies that lump sum payments to multiple individuals may be made independently of each other.

Changes definition of early retirement date from creditable service to membership service in attaining at least ten years.

Removes the 60-day period from the date of the member's death regarding if the member has not previously filed with the administrator of the retirement system a form requiring that only the survivorship annuity be paid, the beneficiary may request to receive in a lump sum an amount equal to the member's accumulated contributions.

Major Objects of Expenditure							
<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							

The employer requirement is expanded to allow leave for each member to attend either the equivalent of up to 16 hours of preretirement planning program or the previous option to attend up to two preretirement planning programs. Adds additional guidance regarding limitation of sessions.

Several amendments regarding the board. The board may also be called to meet by the vice-chairperson. Clarification has been added that the \$75 per diem for attending meeting of the board or for any travel to or from any meeting if occurs on a different day than a board meeting. Adds mileage separately for reimbursement.

LB 295 adds restrictions to the use of the name, logo, symbol or similar name, logo, or symbol of the Public Employees Retirement Board and any written solicitation for any financial product or service to a member must clearly state not sponsored or affiliated with the board.

The operative date for LB 295 is three months after adjournment of the Legislature.

It is estimated that LB 295 will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman

Date Prepared: ⁽⁴⁾ 01/23/2025

Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION				
	FY 2025-26		FY 2026-27	
	<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:

NO FISCAL IMPACT

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe

Date Prepared: ⁽⁴⁾ 1/28/25

Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Minimal impact to provide judicial education. No additional resources required.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				