

PREPARED BY: Bill Biven, Jr.
DATE PREPARED: March 14, 2025
PHONE: 402-471-0054

LB 295

Revision: 01

Revised to reflect adoption of AM404

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 & 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

AM404 amends several sections to:

- extend the retirement application deadline under the School Employees Retirement Act from 120 days prior to the effective date of the member's initial benefit to 270 days prior to the effective date of the member's initial benefit
- strike the changes in the LB295 regarding actuarially required contributions to the Nebraska State Patrol Retirement Act
- clarify the language regarding inadvertent overpayments to provide that those overpayments can only be waived by the Public Employees Retirement Board (PERB) board if the repayment would cause a significant hardship
- change the 60-day deadline for beneficiaries to elect a lump-sum distribution under the Class V School Employees Retirement Act to a 90-day deadline, rather than eliminating the deadline
- strike the language in §24-703 that requires state contributions to the Nebraska Retirement Fund for Judges occur by way of an administrative transfer by the State Treasurer

Since an emergency exists, this bill takes effect when passed & approved according to law.

NO FISCAL IMPACT.

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

LB: 295	AM: 404	AGENCY/POLT. SUB: Supreme Court
REVIEWED BY: Ryan Walton	DATE: 3/11/2025	PHONE: (402) 471-4174
COMMENTS: The Supreme Court's assessment of no fiscal impact from LB 295, as amended by 404, appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 295	AM: 404	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: Ryan Walton	DATE: 3/11/2025	PHONE: (402) 471-4174
COMMENTS: The Department of Education's assessment of no fiscal impact from LB 295, as amended by 404, appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 295	AM: 404	AGENCY/POLT. SUB: Nebraska State Patrol
REVIEWED BY: Ryan Walton	DATE: 3/14/2025	PHONE: (402) 471-4174
COMMENTS: Nebraska State Patrol's assessment of no fiscal impact, as amended by AM404, appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 295	AM: 404	AGENCY/POLT. SUB: Nebraska Public Employees Retirement Systems (NPERS)
REVIEWED BY: Ryan Walton	DATE: 3/11/2025	PHONE: (402) 471-4174
COMMENTS: The NPERS' assessment of fiscal impact from LB 295, as amended by AM404, appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 295	AM: 404	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)
REVIEWED BY: Ryan Walton	DATE: 3/7/2025	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with NACO's assessment of fiscal impact from LB 295, as amended by AM404.		

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

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: ⁽⁴⁾ 3/7/25

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⁾ 3/ 6/2025

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. AM404 adds provisions from LB420, as amended, including the emergency clause. The amendment has no fiscal impact to the state-administered County Retirement Plan.

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.....				

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2025

LB⁽¹⁾ 295 AM 404

FISCAL NOTE

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

Prepared by: ⁽³⁾ Teresa Zulauf Date Prepared: ⁽⁴⁾ 3/10/25 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.

AM 404-update language.

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.....				

AM 404 adds the operative date of three months after adjournment for sections 1 through 4; 6 through 25, and 27, and provides that other sections become operative the date of their effective date.

This amendment adds an emergency clause and becomes law upon enactment.

It is estimated that LB 295 AM404 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⁾ 03/12/2025

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:

Amendment 404 to LB 295 does not change the fiscal note previously filed for LB 295.
NO FISCAL IMPACT.

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⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe

Date Prepared: ⁽⁴⁾ 3/8/2025

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:

AM404 has no fiscal impact. LB295, as amended, has a minimal fiscal impact to provide judicial and staff 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.....				