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

LB 295

Revision: 01

FISCAL NOTE

Revised to reflect adoption of AM404

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.

ADMIN	NISTRATIVE SERVICE	S STATE BUDGET DIVISION: REV	/IEW OF AGENCY & POLT. SUB. RESPONSE
LB: 295	AM: 404	AGENCY/POLT. SUB: Suprer	me Court
REVIEWED	BY: Ryan Walton	DATE: 3/11/2025	PHONE: (402) 471-4174
COMMENTS	3: The Supreme Court's	assessment of no fiscal impact fror	m 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: Depar	tment of Education		
REVIEWED E	BY: Ryan Walton	DATE: 3/11/2025	PHONE: (402) 471-4174		
COMMENTS reasonable.	: The Department of E	ducation's assessment of no fiscal	impact from LB 295, as amended by 404, appears		

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

ADMIN	IISTRATIVE SERVICE	S STATE BUDGET DIVISION: REV	/IEW OF AGENCY & POLT. SUB. RESPONSE
LB: 295	AM: 404	AGENCY/POLT. SUB: Nebra	ska Public Employees Retirement Systems (NPERS)
REVIEWED E	BY: Ryan Walton	DATE: 3/11/2025	PHONE: (402) 471-4174
COMMENTS	: The NPERS' assessr	nent of fiscal impact from LB 295, a	s amended by AM404, appears reasonable.

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

LB ⁽¹⁾ 295 AM 404			FISCAL NOTE
State Agency OR Political Subdivision Name:	Nebraska Departr	ment of Education	
Prepared by: (3) Bryce Wilson	Date Prepared: (4)	3/7/25 Phone:	(5) 402-471-4320
ESTIMATE PRO	OVIDED BY STATE AGEN	NCY OR POLITICAL SUBDIV	VISION
	EN anat an	EV ao	22.25
<u>EXPENDITUR</u>	<u>FY 2025-26</u> <u>REVENUE</u>	<u>FY 20</u> <u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL FUNDS		-	
			
Explanation of Estimate:			
Personal Services:	OWN BY MAJOR OBJECT	<u> IS OF EXPENDITURE</u>	
POSITION TITLE	NUMBER OF POSITION 25-26 26-27	S 2025-26 EXPENDITURES	2026-27 EXPENDITURES
n C.			
Benefits Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL			

LB ⁽¹⁾ 295, AM404			FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	Nebraska Associa	ation of County Officials	
Prepared by: (3) Elaine Menzel	Date Prepared: (4)	3/ 6/2025 Phone: (5)	402.434.5660
ESTIMATE PROV	IDED BY STATE AGEN	NCY OR POLITICAL SUBDIVI	SION
FY	2025-26	FY 202	6-27
EXPENDITURES		<u>EXPENDITURES</u>	REVENUE
GENERAL FUNDS			
CASH FUNDS		_	
FEDERAL FUNDS			
OTHER FUNDS	_	_	
TOTAL FUNDS			
Explanation of Estimate:			
distributions, and leave to attend financ amended, including the emergency clau County Retirement Plan.			
	WN BY MAJOR OBJECT	TS OF EXPENDITURE	
	UMBER OF POSITION	S 2025-26	2026-27
POSITION TITLE	<u>25-26</u> <u>26-27</u>	EXPENDITURES	EXPENDITURES
Benefits		_	
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL			

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LB ⁽¹⁾ 295 AM 4	404			FISCAL NOTE
State Agency OR Political	l Subdivision Name: (2)	Nebraska Public E 085	Employees Retirement S	Systems (NPERS)-
Prepared by: (3) Tere	sa Zulauf	Date Prepared: (4)	3/10/25 Phone	: (5) 402-471-7745
	ESTIMATE PROVI	DED BY STATE AGEN	NCY OR POLITICAL SUBDI	VISION
	FY	2025-26	FY 20	026-27
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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:								
	NUMBER OF	POSITIONS	2025-26	2026-27				
POSITION TITLE	<u>25-26</u>	<u>26-27</u>	EXPENDITURES	EXPENDITURES				
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: 03/14/2025 Phone: 471-5896					
	FY 2025	-2026	FY 2020	<u>5-2027</u>	FY 2027	<u>'-2028</u>
	Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

AM404 makes the following amendments to LB 295, which changes provisions relating to the Nebraska Retirement Systems members for Nebraska county employees, judges, school employees, Class V school employees, state patrol, and state employees.

AM 404 repeals the LB 295 amendment made to Neb. Rev. Stat. § 81-2017 which added legislative intent language to the statutory provision for the State Patrol Retirement System.

AM 404 amends § 24-703 to remove a timing requirement and the requirement for the State Treasurer to make a General Fund transfer to the Nebraska Retirement Fund for Judges. AM 404 provides that the State must make the contribution from the General Fund to the Nebraska Retirement Fund for Judges.

AM 404 amends the section 79-902(32) definition of retirement date for the School Employees Retirement Act to change that an application may be filed no more than 270 days before the effective date of the members' initial benefit.

AM 404 amends the LB 295 exception to the repayment of the retirement benefit received by a member when termination of employment has not occurred or the member returned prior to a 120-day break in service, when the board determines any portion, or all the benefit was a result of an inadvertent benefit overpayment and repayment of such benefit would create a significant hardship.

AM 404 removes the LB 295 amendment definition of early retirement date in § 79-978 for members of the Class V School Employees Retirement system hired before July 1, 2016. With AM 404, the definition remains creditable service (rather than membership service) in attaining at least ten years, with a minimum of five years of membership service. AM 404 amends the early retirement definition for members hired on or after July 1, 2016, to be membership service (rather than creditable service) in attaining at least five years of service.

AM 404 replaces the 60-day period for the Class V School Employees Retirement Act with a 90-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							
Class Code	Classification Title	25-26 <u>FTE</u>	26-27 <u>FTE</u>	27-28 <u>FTE</u>	25-26 Expenditures	26-27 Expenditures	27-28 Expenditures
Operating Costs.							
Capital Outlay							
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.

LB ⁽¹⁾ 295, AM 404			FISCAL NOTE
State Agency OR Political Subdivision Name: (2	Nebraska State P	atrol	
Prepared by: (3) Carol Aversman	Date Prepared: (4)	03/12/2025 Phone:	(5) 402-471-4545
ESTIMATE PROV	IDED BY STATE AGEN	CY OR POLITICAL SUBDIV	ISION
	Y 2025-26		026-27
<u>EXPENDITURE</u>	<u>REVENUE</u>	EXPENDITURES	<u>REVENUE</u>
GENERAL FUNDS	_	_	
CASH FUNDS		_	
FEDERAL FUNDS			
OTHER FUNDS		_	
TOTAL FUNDS	=		
Explanation of Estimate:			
BREAKDOV	VN BY MAJOR OBJECT	S OF EXPENDITURE	
Personal Services:			
POSITION TITLE	NUMBER OF POSITION <u>25-26</u> <u>26-27</u>	IS 2025-26 EXPENDITURES	2026-27 EXPENDITURES
Benefits		_	
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL			

LB ⁽¹⁾ 295, AM404			FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	05 Supreme Court	t	
Prepared by: (3) Eric Asboe	Date Prepared: (4)	3/8/2025 Phone: 0	5) 402-326-9215
ESTIMATE PROVI	IDED BY STATE AGEN	NCY OR POLITICAL SUBDIV	ISION
EV	2027 20	EV ao	26.05
EXPENDITURES	<u>2025-26</u> <u>REVENUE</u>	<u>FY 209</u> <u>EXPENDITURES</u>	REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL FUNDS			
TOTAL FUNDS			
Explanation of Estimate:			
<u>BREAKDOW</u> Personal Services:	VN BY MAJOR OBJECT	TS OF EXPENDITURE	
N	UMBER OF POSITION		2026-27
POSITION TITLE	<u>25-26</u> <u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits		-	
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL			