

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	172,360			
CASH FUNDS	168,554	168,554	337,107	337,107
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	340,914	168,554	337,107	337,107

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB372 establishes the Law Enforcement Officer Retirement Act to be administered by the Public Employees Retirement Board. Law Enforcement Officer is defined as any town marshal, chief of police, police officer, sheriff or deputy sheriff and conservation officers of any state agency of political subdivision except for the cities of Lincoln and Omaha, Douglas County and the State Patrol. LB372 establishes a cash balance plan for law enforcement officers. Membership in the plan is to begin January 1, 2008. An actuarial study is needed to determine the cost of the proposed retirement plan. The Nebraska Public Employees Retirement System (NPERS) estimates the cost of the actuarial study to be \$60,000.

NPERS estimates the cost to program the automated retirement system to be \$87,360, start-up costs for the third-party recordkeeper to be \$25,000 and the on-going operational cost to be \$337,107. The estimated costs may be low. The cost associated with the actuarial study, programming, and third-party recordkeeper are assigned to the General Fund because these would be up-front costs. The on-going operating costs are assigned to Cash Funds and would be paid from the assets of the plan.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	1/29/07	PHONE 471-2526
COMMENTS			
INVESTMENT COUNCIL – Agree with agency's estimate of impact.			
RETIREMENT SYSTEM – No basis to disagree with the agency's estimate of costs related to this bill. However, detailed estimates of how the overall funds would be spent are not provided. It is estimated that additional employees would be required. The funding source for the programming costs and actuarial study would need to come from the General Fund.			