

PREPARED BY: Kathy Tenopir
 DATE PREPARED: March 24, 2009
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LB 427

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	342,569		12,000	
CASH FUNDS	233,359		431,453	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	575,928		443,453	

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

LB427 establishes the County Law Enforcement Retirement Act and creates a new County Law Enforcement Retirement Plan to be administered by the Public Employees Retirement Board. The specific amount of the employee and employer contribution has not been established in the bill. Currently the county law enforcement officers are members of the County Employees' Retirement System and would participate in either the Defined Contribution or Cash Balance Plans.

The Nebraska Public Employee Retirement System (NPERS) indicates significant implementation and ongoing operating costs associated with this new plan. The startup costs to implement the new retirement plan would come from the General Fund since other plans administered by NPERS cannot subsidize the cost of a new plan. NPERS has indicated that the ongoing costs of the new plan are based on similar cost allocations for the current County Defined Contribution Plan.

NPERS estimates first year costs to be \$575,928 which includes 5 additional staff, one-time new office setup, one-time computer programming costs, one-time Ameritas recordkeeping plan setup, and increases in member educational costs.

NPERS estimates annual ongoing costs to be \$431,453 which includes the 5 additional staff and ongoing operating costs.

The Auditor of Public Accounts estimates an additional 200 hours to complete the necessary audit work for the new plan at a cost of \$12,000 General Funds for FY2010-11.

Technical note. NPERS indicates they will not be able to implement a new retirement plan by January 1, 2010.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE 2/2/09	PHONE 471-2526
COMMENTS			
AUDITOR OF PUBLIC ACCOUNTS: No basis to disagree with estimate of impact. NEBRASKA EMPLOYEE RETIREMENT SYSTEM: No basis to disagree with estimate.			