

Revised for the 2008 Legislative session

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB499 relates to the Class V school district's retirement system and contains two provisions.

- LB499 would require the state to provide funding for the Class V school district's retirement system using the same percent of compensation as provided to the School Retirement Fund when the state provides funding due to an unfunded actuarial liability. This provision has the potential to increase costs to the state. The amount cannot be estimated. A 5-year actuarial projection received December 2006 indicates that the School Employee Retirement Plan does not have an expected additional contribution over the 5-year projection period if the investment rate of return remains strong.
- LB499 also increases the employer and employee contribution rates for the Class V school district's retirement system as follows:

	Currently	LB499
Employee		
FY2006-07	6.3%	7.3%
FY2007-08	6.3%	7.3%
FY2008-09	6.3%	7.3%
Employer		
FY2006-07	100% of employee	101% of employee
FY2007-08	100% of employee	101% of employee
FY2008-09	100% of employee	101% of employee

Based on FY2005-06 Class V annual compensation, the Nebraska Employee Retirement System (NPERS) estimates an increase in employee contributions of \$2,487,591 and an increase in employer contributions of \$2,669,185. There is no basis to disagree with the estimate.