

Revised due to amendments adopted through 4-18-11

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	628,798		628,798	
CASH FUNDS	174,265		174,265	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	803,063		803,063	

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

School Employee Retirement System

- FY2011-12 – increases the employee contribution .6% from 8.28% of salaries to 8.88%. The employer contribution will increase from 8.3628% to 8.9688%. The additional revenue generated is estimated at \$18,924,079 for FY2011-12. The additional revenue generated should cover the unfunded liability as identified by the latest actuarial analysis.
- FY2012-13 – increase the employee contribution an additional .9% from 8.88% of salaries to 9.78%. The employer contribution will increase from 8.9688% to 9.8778%. The additional revenue generated is estimated at \$47,310,197. The additional revenue generated should nearly cover the unfunded liability as identified by the latest actuarial analysis. The increased employer and employee contribution is maintained through FY2016-2017.

School Employee Retirement System and Class V (Omaha) School Employees Retirement System

- Extends the state’s 1% of salary contribution rate 3 years to July 1, 2017. The state’s FY2012-13 appropriation for the 1% contribution is \$19,170,000. On July 1, 2017 the state’s contribution rate would return to .7% of 1% of salary.

Class V (Omaha V) School Employees Retirement System

- FY2011-12 – increases employee contribution 1% from 8.3% of salaries to 9.3%. The employer contribution will increase from 8.383% of salaries to 9.383% (or 101%). The additional revenue generated is estimated at \$6,134,000 for FY2011-12 and \$6,256,680 for FY2012-13.
- State’s funding for the purchasing power cost-of-living allowance sunsets in FY13-14. The loss of revenue to the Omaha School Employees Retirement System (OSERS) is \$973,301. OSERS indicates the loss of these funds will require additional contributions from the employees, the employer or a combination of both.

State Patrol Retirement System

- FY2011-12 and FY2012-13 – increases the employee and employer (state) contribution rates 3% from 16% of salaries to 19%. The additional revenue generated is estimated at \$1,606,126. The additional revenue, with some adjustment, should cover the unfunded liability as identified by the latest actuarial analysis.
- FY2013-14 – the contribution rate for the employee and employer (state) will return to 16% of salaries.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE 4/19/11	PHONE 471-2526
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COMMENTS

The amount of contributions generated is based upon the employee compensation. The use of a historical (FY2009-10) compensation will likely understate the actual level of additional contributions generated by the increase in the contribution rate.

Utilizing the compensation level used by the PERB actuary in a November 2010 report, the following is an estimate of additional contributions under AM1101:

School Employee Retirement Plan

	<u>FY2011-12</u>	<u>FY2012-13</u>
Salary	\$1,626,794,258	\$1,691,387,560
Employee	\$9,760,766	\$25,370,813
Employer	\$9,858,373	\$25,624,522
Total	\$16,619,139	\$50,995,335

State Patrol Retirement Plan

	<u>FY2011-12</u>	<u>FY2012-13</u>
Salary	\$26,768,750	\$27,837,500
Employee	\$803,063	\$835,125
Employer	\$803,063	\$835,125
Total	\$1,606,125	\$1,670,250

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LEGISLATIVE FISCAL

Please complete ALL (5) blanks in the first three lines.

LB⁽¹⁾ 382 FISCAL NOTE

School Employees' Retirement System of
 Douglas County School District 0001

State Agency OR Political Subdivision Name: ⁽²⁾ _____

Prepared by: ⁽³⁾ Michael W. Smith

Date Prepared: ⁽⁴⁾ April 10, 2011

Phone: ⁽⁵⁾ 402-557-2105

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Please see attached page.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2011-2012</u>	<u>2012-2013</u>
	<u>11-12</u>	<u>12-13</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital improvements	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

LB382 changes the contribution rates for School Employees' Retirement System of Douglas County School District 0001. LB382 increases the employee contribution rate by 1 percentage point, which therefore increases the school district contribution rate, which is a 101% match.

School Employees Retirement System of Douglas County School District 0001				
	Current Employee	Current Employer	LB 382 Employee	LB 382 Employer
FY 2010-11	8.300%	8.383%	8.300%	8.383%
FY 2011-12	8.300%	8.383%	9.300%	9.393%
FY 2012-13	8.300%	8.383%	9.300%	9.393%

The revenue generated by these increased employee and employer contribution rates is estimated to be:

	ESTIMATED FY 2011-12	ESTIMATED FY 2012-13
Salary	306,700,000	312,834,000
Employee Contribution	28,523,100	29,093,562
Employer Contribution	28,808,331	29,384,498

LB382 also places a sunset provision on the receipt of the former Help Education Lead to Prosperity (HELP) funds. As a result, beginning with the 2014-2015 plan year, the School Employees' Retirement System of Douglas County School District 0001 will lose \$973,301 in State contributions each year. These contributions are currently included in the actuarial funding of the Retirement System and the loss of these funds will require additional contributions from the employees, the employer or a combination of the two.