

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,009,964		\$1,009,964	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$1,009,964</b>		<b>\$1,009,964</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB16 amends §24-703 by requiring the state to make the following deposits to the Nebraska Retirement Fund for Judges:

- An amount equal to four percent of the compensation of all members of the retirement system for each fiscal year beginning July 1, 2021 through June 30, 2023 and
- An amount equal to six percent of the compensation of all members of the retirement system for each fiscal year beginning July 1, 2023, and each fiscal year thereafter

**EXPENDITURES:**

Based off of the July 1, 2020 Actuarial Valuation report provided to the Nebraska Public Employees Retirement Systems (NPERS), the projected annual salaries of all active members of the Nebraska Judges Retirement System is \$25,249,097. A four percent deposit on that actuarial value would be \$1,009,964 for FY 2021-22 and FY 2022-23. A six percent deposit on that actuarial value would be \$1,514,946 for FY 2023-24 and beyond. These amounts could change as there is legislation introduced that would increase judges salaries.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 16	AM:	AGENCY/POLT. SUB: Public Employees Retirement System
REVIEWED BY: Neil Sullivan	DATE: 1/20/2021	PHONE: (402) 471-4179
COMMENTS: The Public Employees Retirement System assessment of no operational fiscal impact from LB 16 appears reasonable.		
Disagree with the Public Employees Retirement System assessment of General Fund fiscal impact and contribution calculation. The contribution calculation appears to begin with FY 2021-22 salaries rather than FY 2020-21 salaries. The timing of contributions is unclear, but an annual contribution could not be calculated until all compensation for the fiscal year has been reported, and the first deposit may not occur until FY 2022-23.		

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 16	AM:	AGENCY/POLT. SUB: Supreme Court
REVIEWED BY: Neil Sullivan	DATE: 2/5/2021	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Supreme Court assessment of fiscal impact from LB 16.		

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

**2021**

**LB<sup>(1)</sup> 16 Revised (January 19, 2021)**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Employees Retirement Systems (NPERS)

Prepared by: <sup>(3)</sup> Teresa Zulauf Date Prepared: <sup>(4)</sup> 1-19-2021 Phone: <sup>(5)</sup> 402-471-7745

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See below</u>	<u>See below</u>	<u>See below</u>	<u>See below</u>

**Explanation of Estimate:**

LB 16 does not have a fiscal impact NPERS operational budget.

LB16 is a bill for the Judges Retirement Fund. If enacted, the State of Nebraska will provide an amount equal to four percent of the compensation for of all members of the judges retirement plan. This would be for July 1, 2021 through June 20, 2023. Beginning July 1, 2023, the percentage increases to six percent of compensation.

Based on the Projected Annual Salaries of Active Members from the Nebraska Judges Retirement System July 1, 2020 Actuarial Valuation (\$25,249,097.00), the amount to be provided to the Judges retirement plan would be \$1,009,963.88 for FYE June 30, 2022 and FYE June 30, 2023.

Legislative bills have been introduced to increase the judges salaries. If one of them should pass, it is possible an adjustment to the amount would need to be made.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

