PREPARED BY: DATE PREPARED: PHONE: Bill Biven, Jr. March 14, 2023 402-471-0054

**LB 406** 

Revision: 00

## **FISCAL NOTE**

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2023-24 FY 2024-25					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						

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

LB406 amends §16-1024 & §16-1025 to change retirement system contribution rates for firefighters of cities of the first class.

Beginning October 1, 2023, & until October 1, 2025, each firefighter participating in a retirement system will contribute to the retirement system a sum equal to XXXXX percent of the participating firefighter's salary. Beginning October 1,2025, each firefighter participating in a retirement system will contribute to the retirement system a sum equal to XXXXX percent of the participating firefighter's salary.

Beginning October 1, 2023, & until October 1, 2025, each city of the first class with firefighters participating in a retirement system will contribute to the retirement system a sum equal to XXXX percent of each participating firefighter's periodic salary. Beginning October 1, 2025, each city of the first class with firefighters participating in a retirement system will contribute to the retirement system a sum equal to XXXX percent of each participating firefighter's periodic salary.

There might be a fiscal impact once the percents are determined & should be minimal but until then, the impact would be only at the cities of the first-class.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 406	AM:	AGENCY/POLT. SUB: Nebraska F	Public Employees Retirement Systems			
REVIEWED	BY: Ryan Walton	DATE: 1/26/2023	PHONE: (402) 471-4174			
COMMENTS: No basis to disagree with the Nebraska Public Employees Retirement Systems assessment of no fiscal impact to the agency from LB 406.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 406	AM:	AGENCY/POLT. SUB: City of N	Norfolk			
REVIEWED BY	: Ryan Walton	DATE: 1/20/2023	PHONE: (402) 471-4174			
COMMENTS: No basis to disagree with the City of Norfolk assessment of fiscal impact from LB 406. Ultimately, there is an indeterminate fiscal impact until both the contribution rates of the plan are determined, and actuarial valuation studies are completed.						

LB <sup>(1)</sup> 406					FISCAL NOTE	
State Agency OR Political Subdivision	n Name: (2) Neb	Nebraska Public Employees Retirement Systems (NPERS)-085				
Prepared by: (3) Teresa Zulauf	D	ate Prepared: (4)	1/25/2023	Phone: (5)	402-471-7745	
ESTIMA	TE PROVIDED I	BY STATE AGEN	ICY OR POLITICAL	SUBDIVIS	ION	
	FY 2023-	24		FY 2024-	-25	
EXPEN	DITURES	REVENUE	EXPENDITU		<u>REVENUE</u>	
GENERAL FUNDS						
CASH FUNDS	0	0	0		0	
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	0	0	0		0	
Explanation of Estimate: LB406 changes the contributio	n rates for firefi	ghters of cities o	of the first class.			
LB406 does not amend or cha	nge the retireme	ent plans admin	stered by the NPE	RS.		
No fiscal impact to NPERS Ag	anay 005 anara	tiona ovnanditur				
	REAKDOWN BY	MAJOR OBJECT	S OF EXPENDITU	<u>RE</u>		
Personal Services:  POSITION TITLE	NUMBE 23-24	R OF POSITION  24-25	S 2023-24 <u>EXPENDITU</u>		2024-25 EXPENDITURES	
Benefits						
Operating						
Travel						
Capital outlay						
Aid						
Capital improvements						
TOTAL						

LB 0406 Fiscal Note 2023

State Agency Estimate						
State Agency Name: Departmen	nt of Revenue				Date Due LFO:	
Approved by: Glen White		Date Prepared:	03/10/2023		Phone: 471-5896	
	FY 2023	-2024	FY 2024	-2025	FY 2025	5-2026
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		See Below	1	See Below		See Below
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		See Below		See Below		See Below

LB 406 changes gender related references (his or her) to the term "such participating firefighters". Beginning October 1, 2023, and until October 1, 2025, each firefighter participating in a retirement system must contribute to such retirement system a sum equal to XX% of such the participating firefighters' salary. Additionally, each city of the first class with participating firefighters must contribute to such retirement system a sum equal to XX% of each participating firefighters periodic salary.

Beginning October 1, 2025, each firefighter participating in a retirement system must contribute to such retirement system a sum equal to XX% of such participating firefighter's salary. Additionally, each city of the first class with participating firefighters must contribute to such retirement system a sum equal to XX% of each participating firefighters periodic salary.

The fiscal impact of LB 406 is undeterminable given the unknown rate provided in the bill.

The Department of Revenue estimates minimal costs to implement LB 406.

LB 406 becomes operative on October 1, 2023.

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
Benefits							
Operating Costs							
Travel							
Capital Outlay							
	Capital Improvements						
Total							

TOTAL.....

LB <sup>(1)</sup> 406					F	FISCAL NOTE
State Agency OR Po	olitical Subdivision Nam	e: (2) City of	Norfolk			
Prepared by: (3)	Randy Gates	Date	Prepared: (4)	January 19, 2023	Phone: (5)	(402)844-2011
	ESTIMATE P	ROVIDED BY	STATE AGEN	CY OR POLITICAL	_ SUBDIVISI	ION
	EXPENDITU	<u>FY 2023-24</u> JRES	<u>REVENUE</u>	EXPENDITU	<u>FY 2024-</u> JRES	25 REVENUE
GENERAL FUND	S \$26,798/1	%		\$27,838/1		
CASH FUNDS						
FEDERAL FUND	os					
OTHER FUNDS						
TOTAL FUNDS	\$26,798/1	<u>%</u>		\$27,838/1	<del></del> %	
Explanation of Es	timate:					
For FYE 2023 the change in contributions no for FYE 2023 the change in contributions average growth for Inflating the est change in contributions no formation in the contributions in the contributions no formation in the contribution	act for each 1% cha rmally approximate: ne City budgeted its bution rate will char rate in covered pay imated FYE 2023 a bution rate at 3.88% contributions of \$26	s actual.  13% contribunge the City's roll and result dditional City for the next.	ition to the Fir Fire Retiremen ing retiremen fire retiremen 2 FYs results	re Retirement Plar ent Plan contribution t plan contribution t plan contribution in an estimated ir	n at \$335,36 on by \$25,7 s for the las of \$25,797 ocrease in th	66. Each 1% 97. The City's st 10 FYs is 3.88%. per each 1%
D16		DOWN BY MA	JOR OBJECT	S OF EXPENDITU	<u>RE</u>	
Personal Services:		NUMBER O	F POSITIONS			2024-25
POSITI	ON TITLE	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITU</u>	<u>JRES</u>	EXPENDITURES
Ranafits				\$26,798/1	<u></u> %	\$27,838/1%
				Ψ20,130/1	70	ΨΖ1,000/170
• 0					<del></del>	
-						
Capital improvem	ents				<del></del>	

\$26,798/1%

\$27,838/1%