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March 28, 2003 LB 451

SENATOR STUHR: Thank you, Mr. President and members of the body. AM0890 addresses a lack of clarity concerning the oversight role of the Nebraska Public Employees Retirement System on political subdivisions and reporting membership and payrolls to NPERS. This amendment is intended to make it crystal-clear by including in statute that this Legislature does not intend NPERS to be required to conduct on-site audits of employee records at political subdivisions. I do not believe that it's ever been the intention of this Legislature that they conduct these on-site audits of school districts for compliance with retirement statutes, and we believe there are at least three reasons that compel this belief: that political subdivisions have an independent duty to ensure their own compliance with retirement statutes; for NPERS to audit would be duplicative because each school already is audited annually; and NPERS has neither the staff nor the budget, and I believe it is highly unlikely that they will be given more of either of these in the foreseeable future to conduct on-site audits of hundreds of districts spread across the state. Specifically, statutes do not require NPERS to conduct the on-site audits to ensure that school districts correctly calculate and report contributions, salary information, hours worked, and eligibility of employees. It is really the role of the NPERS is to provide education, direction and guidance to these entities, such as school districts. With that, I ask for your support to return LB 451, for this amendment, to Select File. Thank you.

SENATOR LANDIS: Thank you, Senator Stuhr. There's one light on. It's Senator Quandahl.

SENATOR QUANDAHL: Thank you, Mr. President. I was wondering if Senator Stuhr would respond to a question.

SENATOR LANDIS: Senator Stuhr, would you respond to a question from Senator Quandahl?

SENATOR STUHR: Yes.

SENATOR QUANDAHL: When...I just ask this question just because what caught my ear was, is that what my understanding of this amendment, it would do away with a need for an on-site audit at