

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	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.

LB145 amends several sections and requires additional examinations and evaluations concerning the transfer of management of Omaha School Employees Retirement System (OPERS) to the Public Employees Retirement Board (PERB).

The Auditor of Public Accounts (APA) will audit of the retirement system and will submit the report of its condition annually. The costs of such audit will be paid from funds of OPERS. A copy of the audit will be filed electronically with the Clerk of the Legislature and the Nebraska Retirement Systems Committee of the Legislature. The committee may request that the APA present the findings of such report at a public hearing.

The PERB will identify and examine additional issues which have emerged since the completion of the work plan related to the impact of assumption of fiduciary duties and responsibilities pursuant to §84-1503 for the transfer of management of OPERS.

The PERB may bill the employer, Omaha Public Schools (OPS), of the OPERS on a quarterly basis for all work performed and expenses incurred. OPS will remit payment within forty-five calendar days after receipt of each quarterly bill from the PERB.

No Fiscal Impact to the State but each audit completed by the APA concerning LB145 will cost OPERS approximately \$35,900.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 145	AM:	AGENCY/POLT. SUB: Auditor of Public Accounts	
REVIEWED BY: Neil Sullivan	DATE: 1/20/2021	PHONE: (402) 471-4179	
COMMENTS: The Auditor of Public Accounts assessment of minimal fiscal impact from LB 145 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 145	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 fiscal impact from LB 145 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 145 AM: AGENCY/POLT. SUB: OSERS

REVIEWED BY: Neil Sullivan DATE: 1/27/2021 PHONE: (402) 471-4179

COMMENTS: The OSERS assessment of fiscal impact from LB 145 appears reasonable.

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

2021

LB⁽¹⁾ 145

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Auditor of Public Accounts

Prepared by: ⁽³⁾ Mary Avery Date Prepared: ⁽⁴⁾ 1/15/21 Phone: ⁽⁵⁾ 402-471-3686

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	=====	=====	=====	=====

Explanation of Estimate:

LB 145, as currently written, requires that the Auditor of Public Accounts to conduct an audit of Omaha School Employee Retirement System (OSERS). All additional audit expenses shall be paid by the retirement system.

The audit work is to be paid for by the retirement system. This will be done on a reimbursement basis of our actual costs through the APA Cash Fund and Program 525. At this time, we estimate it would take approximately 700 hours with estimated cost of \$35,900, the existing Programs 525 appropriations requested for Agency 010; Auditor of Public should be able to handle this. If program 525 appropriations were to be cut, then we may have to request additional appropriations. At this time, there would be no additional fiscal impact to Agency 010-Auditor of Public Accounts.

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.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 145

FISCAL NOTE

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

Prepared by: ⁽³⁾ Teresa Zulauf Date Prepared: ⁽⁴⁾ 1-19-2021 Phone: ⁽⁵⁾ 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	0	_____	0	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	_____	<u>0</u>	_____

Explanation of Estimate:

No fiscal impact to NPERS Agency 085 operations expenditures.

LB 145 requires the Auditor of Public Accounts (APA) to audit the Omaha Public Employees Retirement Systems (OSERS) Plan in 2021. The OSERS board of trustees must file a copy of the annual actuarial investigation with the Nebraska Retirement Systems Committee of the Legislature and the APA. Authorizes the PERB to address additional issues with the transfer and obtain payment from OPS.

OSERS is to undergo a compliance audit in 2021. OSERS board of trustees to file the audit with the Clerk of the Legislature, Board of Education, Governor, Nebraska Retirement Systems Committee of the Legislature and the PERB.

Omaha Public Schools would be responsible for the cost of the audits.

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.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 145

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ School Employees Retirement System of Douglas County
0001 (aka: Omaha School Employees Retirement System or OSERS)

Prepared by: ⁽³⁾ Cecelia M. Carter, Executive Director Date Prepared: ⁽⁴⁾ 01.26.2021 Phone: ⁽⁵⁾ 531-299-9423

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	\$106,000.00	_____	\$31,000.00	_____
TOTAL FUNDS	<u>\$106,000.00</u>	_____	<u>\$31,000.00</u>	_____

Explanation of Estimate:

LB 145 calls for conducting two additional audits on the OSERS pension plan. OSERS is already required by statute to conduct an annual financial audit.

Estimated cost of Compliance Audit: \$50,000 to \$75,000 based on cost of compliance audit for larger NPERs retirement system. The Compliance Audit would only be applicable every eight to ten years.

Estimated cost of audit by Nebraska Auditor of Public Accounts: \$31,000 based on estimate from LB 31(2019) analysis report. The audit by the Auditor of Public Accounts would be an annual expense.

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.....	_____	_____	_____	_____