

PREPARED BY: Suzanne Houlden
 DATE PREPARED: February 01, 2024
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LB 1235

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB 1235 proposes to require the Department of Administrative Services-State Personnel to contract for \$100,000 basic life insurance at the state's expense for state senators who have at least six years of service and for the remainder of their lifetime.

According to the Department of Administrative Services (DAS), its Employee Wellness & Benefits department would need to address a new or amended contract with the state's current life insurance provider. In addition, they would establish processes for enrollment and processing premium payments, which they explain they can do with current staff.

DAS further explains that the passage of LB 1235 would have a fiscal impact, as the State of Nebraska would pay 100% of the premiums. In its fiscal note, DAS reports the rate quoted by the state's current life insurance provider. At a rate of \$.167 per \$1,000, and assuming all 49 current senators are eligible, the monthly premiums would cost \$818.30 per month.

However, since it is unknown exactly how many current or former senators qualify, the total cost is only estimated at this time. The cost will increase as more senators become eligible. A first-year expense of 12 x \$818.30 = \$9,820 would be reasonable to assume for the A-bill that would be required should LB 1235 be passed. Then, it would also be important to have more specific eligibility data for appropriations purposes in the next biennium. A specific fund source has not been identified, and as such, we assume use of General Funds, appropriated to the Legislature for costs and corresponding revolving fund appropriation to DAS.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1235	AM:	AGENCY/POLT. SUB: Nebraska Department of Administrative Services	
REVIEWED BY:	Ann Linneman	DATE:	2-5-2024	PHONE: (402) 471-4180
COMMENTS: The Department of Administrative Services' assessment of fiscal impact estimates the annual cost of insurance for the current 49 Senators, at approximately \$10,000 annually. This figure does not include past and future Senators, which will likely significantly increase the cost.				

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

2024

LB⁽¹⁾ 1235 Revised 02-02-2024

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) State Personnel – Employee Wellness & Benefits

Prepared by: ⁽³⁾ Jennifer Norris Date Prepared: ⁽⁴⁾ 1/23/2024 Phone: ⁽⁵⁾ 402/480-9728

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1235 proposes to require the Department of Administrative Services-State Personnel to contract for \$100,000 basic life insurance at the state’s expense for state senators who have at least six years of service and for the remainder of their lifetime.

DAS-State Personnel - Employee Wellness & Benefits would need to address a new or amended contract with the state’s current life insurance provider, as well as establish an enrollment process, and processing invoices for premium payments. DAS can manage this with current staff.

As a rough estimate of cost, per the state’s provider, if all current senators were eligible:

- Rate: \$.167 per \$1,000
- Volume: \$4,900,000
- Monthly Premium: \$818.30
- Number of Lives: 49

A fund/appropriation has not been identified for payment of these premiums, nor is there a known number of qualifying current or former state senators. The cost will increase as more senators become eligible.

LB 1235 has a fiscal impact with the creation of a new State of Nebraska Life Insurance Plan as the State of Nebraska would pay 100% of the premiums.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____