## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) |              |         |                      |  |  |  |  |
|--|--------------|---------|----------------------|--|--|--|--|
|  | FY 202       | 5-26    | FY 2026-27           |  |  |  |  |
|  | EXPENDITURES | REVENUE | EXPENDITURES REVENUE |  |  |  |  |
| GENERAL FUNDS  |              |         |                      |  |  |  |  |
| CASH FUNDS   | \$26,000     |         |                      |  |  |  |  |
| FEDERAL FUNDS  |              |         |                      |  |  |  |  |
| OTHER FUNDS  |              |         |                      |  |  |  |  |
| TOTAL FUNDS  | \$26,000     |         |                      |  |  |  |  |

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

LB76 amends several sections to change the provisions of the Nebraska State Patrol Retirement System relating to benefits provided upon the death of an officer & the annual benefit adjustment calculations.

The surviving spouse/dependent benefit within the State Patrol Retirement Plan is increased from 75% to 100%.

The current benefit paid to a retired member or beneficiary will be increased annually by the lesser of:

- the percentage change in the Consumer Price Index (CPI) for Urban Wage Earners & Clerical Workers for the period between June 30 of the prior year to June 30 of the present year
- prior to July 1, 2025: two & one-half percent; beginning July 1, 2025: four percent

On July 1 of each year, for officers who became members on or after July 1, 2016, the benefit paid to a retired member or beneficiary will be increased annually by the lesser of:

- the percentage change in the Consumer Price Index (CPI) for Urban Wage Earners & Clerical Workers for the period between June 30 of the prior year to June 30 of the present year
- prior to July 1, 2025: one percent; beginning July 1, 2025: four percent

## FISCAL IMPACT:

The Nebraska Public Employees Retirement Systems (NPERS) estimates 200 hours of programming with a cost estimate of \$20,000 to make to necessary changes & updates.

An actuarial report was done to analyze the financial impact of LB76, the cost of that report for NPERS was \$6,000.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE |                     |                                      |                                       |  |  |
|---|---------------------|--------------------------------------|---------------------------------------|--|--|
| LB: 76  | AM:                 | AGENCY/POLT. SUB: Departm            | nent of Revenue                       |  |  |
| REVIEWED E  | BY: Ryan Walton     | DATE: 2/18/2025                      | PHONE: (402) 471-4174                 |  |  |
| COMMENTS  | : The Department of | Revenue's assessment of no fiscal im | npact from LB 76, appears reasonable. |  |  |

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

| LB: 76   | AM:         | AGENCY/POLT. SUB: Nebraska Public Employees Retirement Systems (NPERS) |                       |  |  |  |
|--|-------------|--|-----------------------|--|--|--|
| REVIEWED BY:   | Ryan Walton | DATE: 2/18/2025  | PHONE: (402) 471-4174 |  |  |  |
| COMMENTS: The NPERS' assessment of fiscal impact from LB 76, appears reasonable. |             |  |                       |  |  |  |

| ADMI  | NISTRATIVE SERVIC | ES STATE BUDGET DIVISION: REV | IEW OF AGENCY & POLT. SUB. RESPONSE |  |  |
|---|-------------------|-------------------------------|-------------------------------------|--|--|
| LB: 76  | AM:               | AGENCY/POLT. SUB: State Pa    | trol                                |  |  |
| REVIEWED  | BY: Ryan Walton   | DATE: 1/16/2025               | PHONE: (402) 471-4174               |  |  |
| COMMENTS: The State Patrol's assessment of no fiscal impact from LB 76, appears reasonable. |                   |                               |                                     |  |  |

Please complete <u>ALL</u> (5) blanks in the first three lines.

| LB <sup>(1)</sup> 76        |   |  |                                  | <b>FISCAL NOTE</b>               |  |  |
|-----------------------------|---|--|----------------------------------|----------------------------------|--|--|
| State Agency OR Pol         | itical Subdivision Name: <sup>(2)</sup> | Nebraska Public Employees Retirement Systems (NPERS)-<br>085 |                                  |                                  |  |  |
| Prepared by: <sup>(3)</sup> | Feresa Zulauf                           | Date Prepared: <sup>(4)</sup>                                | 2/14/25 Phor                     | ne: <sup>(5)</sup> 402-471-7745  |  |  |
|                             | ESTIMATE PROVI                          | <u>DED BY STATE AGEN</u>                                     | ICY OR POLITICAL SUB             | DIVISION                         |  |  |
|                             | <u>FY 2</u><br>EXPENDITURES             | 2025-26<br><u>REVENUE</u>                                    | <u>FY</u><br><u>EXPENDITURES</u> | <u>2026-27</u><br><u>REVENUE</u> |  |  |
| GENERAL FUNDS               |   |  |                                  |                                  |  |  |
| CASH FUNDS                  | \$26,000                                | 0  | 0                                | 0                                |  |  |
| FEDERAL FUNDS               |   |  |                                  |                                  |  |  |
| OTHER FUNDS                 |   |  |                                  |                                  |  |  |
| TOTAL FUNDS                 | \$26,000                                | 0  | 0                                | 0                                |  |  |

**Explanation of Estimate:** 

LB 76 will change the provisions relating to Nebraska State Patrol Retirement System and benefits provided upon the death of an officer after retirement and annual benefit adjustment calculations.

Survivor's annuities funded at 100% instead of 75% COLA Adjustment up to lesser of CPI or 4% instead of 2.5%

NPERS estimates that it could take 200 hours of programming with a cost estimate of \$20,000. (The cost is put into the first year of the budget.)

Cavanaugh Macdonald Consulting, LLC was asked to analyze LB 76 and prepare a discussion of the expected financial impact on the Nebraska State Patrol Retirement System. They put together a letter that would provide the expected cost of the changes and comment on the related risk issues. The cost of the letter from the actuary could be up to \$6,000.

| BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE |                           |                             |                                |                                |  |  |  |
|---|---------------------------|-----------------------------|--------------------------------|--------------------------------|--|--|--|
| Personal Services:                        |                           |                             |                                |                                |  |  |  |
| POSITION TITLE                            | NUMBER OI<br><u>25-26</u> | F POSITIONS<br><u>26-27</u> | 2025-26<br><u>EXPENDITURES</u> | 2026-27<br><u>EXPENDITURES</u> |  |  |  |
|   |                           |                             |                                |                                |  |  |  |
| DC.t.                                     |                           |                             |                                |                                |  |  |  |
| Benefits                                  | •                         |                             |                                |                                |  |  |  |
| Operating                                 |                           |                             |                                |                                |  |  |  |
| Travel                                    |                           |                             |                                |                                |  |  |  |

| Capital outlay       |   |  |
|----------------------|---|--|
| 1 0                  |   |  |
| Aid                  |   |  |
|                      |   |  |
| Capital improvements |   |  |
|                      |   |  |
| TOTAL                |   |  |
|                      | · |  |
|                      |   |  |

## Fiscal Note 2025

| State Agency Estimate |  |  |  |  |  |  |
|-----------------------|--|--|--|--|--|--|
|                       |  |  |  |  |  |  |
|                       |  |  |  |  |  |  |
|                       |  |  |  |  |  |  |
| nue                   |  |  |  |  |  |  |
| \$ 0                  |  |  |  |  |  |  |
|                       |  |  |  |  |  |  |
|                       |  |  |  |  |  |  |
|                       |  |  |  |  |  |  |
| \$ 0                  |  |  |  |  |  |  |
|                       |  |  |  |  |  |  |
|                       |  |  |  |  |  |  |

LB 76 changes survivor benefits for a spouse of a state patrol officer who does not have a dependent or child under the age of 19 and who passes away after retirement for reasons dealing with disability and not dealing with disability. The bill moves the benefit from seventy five percent of the annuity for such a spouse up to one hundred percent.

LB 76 also impacts the benefit paid to a retired member or a beneficiary. The current change to the consumer price index for Urban Wage Earners and Clerical Workers is two and one-half percent. This bill changes that to four percent as of July 1, 2025.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

This bill contains an emergency clause.

| Major Objects of Expenditure |                      |                     |                     |                     |                              |                              |                              |
|------------------------------|----------------------|---------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------------|
| <u>Class Code</u>            | Classification Title | 25-26<br><u>FTE</u> | 26-27<br><u>FTE</u> | 27-28<br><u>FTE</u> | 25-26<br><u>Expenditures</u> | 26-27<br><u>Expenditures</u> | 27-28<br><u>Expenditures</u> |
|                              |                      |                     |                     |                     |                              |                              |                              |
|                              |                      |                     |                     |                     |                              |                              |                              |
|                              |                      |                     |                     |                     |                              |                              |                              |
|                              |                      |                     |                     |                     |                              |                              |                              |
| Benefits                     |                      |                     |                     |                     |                              |                              |                              |
| Operating Costs              |                      |                     |                     |                     |                              |                              |                              |
|                              |                      |                     |                     |                     |                              |                              |                              |
| Capital Outlay               |                      |                     |                     |                     |                              |                              |                              |
|                              | s                    |                     |                     |                     |                              |                              |                              |
|                              |                      |                     |                     |                     |                              |                              |                              |

Please complete  $\underline{ALL}$  (5) blanks in the first three lines.

| LB <sup>(1)</sup> 76              |                                  |                               |                 | F                  | ISCAL NOTE     |
|-----------------------------------|----------------------------------|-------------------------------|-----------------|--------------------|----------------|
| State Agency OR Political         | Subdivision Name: <sup>(2)</sup> | Nebraska State Pa             | atrol           |                    |                |
| Prepared by: <sup>(3)</sup> Carol | Aversman                         | Date Prepared: <sup>(4)</sup> | 01/15/2025      | Phone: (5)         | 402-471-4545   |
| F                                 | ESTIMATE PROVID                  | ED BY STATE AGEN              | CY OR POLITICAL | <u>. SUBDIVISI</u> | ON             |
|                                   | <u>FY 9</u>                      | 2025-26                       |                 | <u>FY 2026</u>     | 5-27           |
|                                   | EXPENDITURES                     | <u>REVENUE</u>                | EXPENDIT        | <u>URES</u>        | <u>REVENUE</u> |
| GENERAL FUNDS                     |                                  |                               |                 |                    |                |
| CASH FUNDS                        |                                  |                               |                 |                    |                |
| FEDERAL FUNDS                     |                                  |                               |                 |                    |                |
| OTHER FUNDS                       |                                  |                               |                 |                    |                |
| TOTAL FUNDS                       |                                  |                               |                 |                    |                |
| Explanation of Estimate:          |                                  |                               |                 |                    |                |
| NO FISCAL IMPACT                  |                                  |                               |                 |                    |                |

| BREAKD               | OWN BY MAJ          | OR OBJECTS OF | EXPENDITURE  |              |
|----------------------|---------------------|---------------|--------------|--------------|
| Personal Services:   |                     |               |              |              |
|                      | NUMBER OF POSITIONS |               | 2025-26      | 2026-27      |
| POSITION TITLE       | <u>25-26</u>        | <u>26-27</u>  | EXPENDITURES | EXPENDITURES |
|                      |                     |               |              |              |
|                      |                     |               |              |              |
| Benefits             |                     |               |              |              |
| Operating            |                     |               |              |              |
| Travel               |                     |               |              |              |
| Capital outlay       |                     |               |              |              |
| Aid                  |                     |               |              |              |
| Capital improvements |                     |               |              |              |
| TOTAL                |                     |               |              |              |