

Revised due to amendments adopted through April 25, 2007

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below	See Below	See Below	See Below
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB324 as amended contains two changes to the State Patrol Retirement Plan as follows.

1. LB324 increases the employee and employer contribution rates as follows:

	Currently	LB324
Employee		
FY2006-07	13%	13%
FY2007-08	12%	13%
FY2008-09	12%	13%
Employer		
FY2006-07	15%	15%
FY2007-08	13%	15%
FY2008-09	13%	15%

The Nebraska Employee Retirement System (NPERS) estimates the increase in employee contributions to be \$270,122 for FY2007-08 and \$284,168 for FY2008-09. Costs associated with the increase in employer/state contributions are allocated as follows:

Fund Source/Employer	FY2007-08	FY2008-09
General	448,405	471,722
Cash	91,842	96,618
Total	540,247	568,340

2. LB324 would establish an additional benefit for the members of the State Patrol Retirement Plan in the form of a deferred retirement option plan (DROP). Eligibility for the DROP Plan is after attaining age 50 and having 25 years of service. A member may voluntarily choose to participate in DROP. If the member chooses to participate, he or she will be deemed to have retired but may continue active employment for up to a 5-year period. During this 5-year DROP period, the member's pension benefits payments shall be deposited in a DROP account for the benefit of the member. The member shall be paid the balance of the DROP account upon separation from active employment or at the expiration of the DROP period in addition to the regular pension benefit.

A January 10, 2007 actuarial study indicates there would be an \$82,813 savings as a result of the DROP Plan.

The Nebraska Employee Retirement System (NPERS) has indicated one-time programming costs of \$84,000. There is no basis to disagree with the estimate.