

Revised to reflect additional agency responses

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$2,770,810		\$2,770,810	
CASH FUNDS	\$691,778		\$671,778	
FEDERAL FUNDS	\$117,465		\$117,465	
OTHER FUNDS	\$58,195		\$58,831	
<b>TOTAL FUNDS</b>	<b>\$3,638,248</b>		<b>\$3,618,884</b>	

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

AM3100 amends §81-2026 & §81-2107 to eliminate the changes to the surviving spouse benefits & eliminates changes to the Cost of Living Adjustment provisions (Section 3 - Tier I employees & Section 4 - Tier II employees) & addresses the contribution rates for State Patrol retirement system members & the state, as employers, by decreasing the patrol members contribution & increasing the State's contribution. Beginning July 1, 2024, the member contribution is reduced to 10% from the current 17% (for Patrol members hired after 7/1/26) or 16% (members hired prior to 7/1/16) & adds language that increases the State/employer contribution rate from 17% to 24%.

AM3151 amends §81-8, 318 to extend the ability to receive compensation under the In the Line of Duty Compensation Act, a claim for the compensation will be filed with the Risk Manager within three years after the date of death of the public safety officer who was killed in the line of duty for any claim arising on or after January 1, 2022.

LB196 amends several statutes to change the provisions relating to the Nebraska State Patrol Retirement System & benefits provided upon the death of an officer after their retirement & an annual benefit adjustment.

Upon the death of an officer after retirement for reasons other than disability, benefits will be provided as a percentage of the amount of the officer's annuity; the percent of benefit to surviving family will be increased from 75% to 100%.

Starting July 1, 2023, each officer while in the service of the Nebraska State Patrol (NSP) will pay or have paid on the officer's behalf a sum equal to 8% of the officer's monthly compensation. There will also be an assessment against the appropriation of the NSP a sum equal to the amount of 25% of each officer's monthly compensation, which will be credited to the State Patrol Retirement Fund.

**EXPENDITURES:**

The Nebraska Public Employees Retirement Systems (NPERS) estimates the need for \$20,000 to update the necessary programming to meet the changes in LB196, AM3100, & AM3151.

The Nebraska State Patrol (NSP) estimates that the changes in the contribution rates from LB196 will increase their expenses by \$3,571,480 annually.

The Department of Administrative Services – Risk Management estimates the need to a part-time FTE to investigate the claims filed under the Act. For FY2024-25, the FTE will have a salary/benefits expense of \$40,256 & operating expenses of \$6,512. For FY2025-26, the FTE will have a salary/benefits expense of \$42,392 & operating expenses of \$5,012.

Claims filed under the In the Line of Duty Compensation Act would be General Funds that would be appropriated as part of the annual Claims Bill. An estimate of the impact of additional claims is approximately \$849,750 per year.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 196	AM: 3100	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Walton	DATE: 4/2/2024	PHONE: (402) 471-4174	
COMMENTS: The Department of Revenue's assessment of no fiscal impact to the agency from LB 196, as amended by AM3100, appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 196	AM: 3151	AGENCY/POLT. SUB: Nebraska Public Employees Retirement Systems (NPERS)
REVIEWED BY: Ryan Walton	DATE: 4/3/2024	PHONE: (402) 471-4174
COMMENTS: The NPERS' assessment of fiscal impact to agency operations from LB 196, as amended by AM3151, appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 196	AM: 3100	AGENCY/POLT. SUB: State Patrol
REVIEWED BY: Ryan Walton	DATE: 3/25/2024	PHONE: (402) 471-4174
COMMENTS: The State Patrol assessment of fiscal impact from LB 196, as amended by AM3100, appears reasonable.		

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

2024

LB<sup>(1)</sup> 196, AM3100

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State Patrol

Prepared by: <sup>(3)</sup> Carol Aversman Date Prepared: <sup>(4)</sup> 03-21-2024 Phone: <sup>(5)</sup> 402-479-4545

**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	\$2,770,810		\$2,770,810	
CASH FUNDS	\$671,778		\$671,778	
FEDERAL FUNDS	\$117,465		\$117,465	
OTHER FUNDS	\$11,427		\$11,427	
<b>TOTAL FUNDS</b>	<b>\$3,571,480</b>		<b>\$3,571,480</b>	

**Explanation of Estimate:**

LB 196 increases the amount of the retirement contributions that the Agency must make to the sworn officers' retirement accounts. The current requirement is 16% of earnings for officers hired prior to 7/1/16, and 17% of earnings for officers hired on or after 7/1/16. LB 196, AM3100 increases the required contribution that the Agency must make to 24%. The amendment also reflects a change in the required contribution that the Officers must make to 10% from 16% of earnings for Officers hired prior to 7/1/16 and from 17% for Officers hired on or after 7/1/16.

The Agency estimates total additional costs of \$3,571,481 for the 482 officers that comprise its authorized staffing levels (filled positions and vacancies). This includes estimated increased contributions totaling \$ 289,303 on overtime wages. This estimate is based on the calendar year to date overtime paid in 2023. The estimate also includes additional retirement contributions totaling \$15,271 on incentive shift payments required to be paid. This estimate is based on calendar year to date incentive shift payments paid in 2023.

It is important to note that the estimates provided above have been adjusted from the original fiscal impact calculated in 2023 for LB 196. The negotiated SLEBC contract resulted in salary increases of 22.1% for Troopers, Sergeants, Investigative Officers, and Investigative Sergeants effective 7/1/23. The original 2023 fiscal note was calculated prior to the contract being signed off on, and therefore it did not include the fiscal impact of these much higher salary levels. The impact of the additional 7/1/23 22.1% salary increases has now been reflected in this fiscal note.

It is also important to note that because the estimate was completely recalculated based on the higher salary levels, the entire fiscal impact of LB 196, including AM3100, has been reflected here. Therefore, this is not just the impact resulting from AM 3100.

**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.....			\$3,571,480	\$3,571,480
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$3,571,480</b>	<b>\$3,571,480</b>

**LB 196 AM 3100**

**Fiscal Note 2024**

**State Agency Estimate**

State Agency Name: Department of Revenue

Date Due LFO:

Approved by: James R. Kamm

Date Prepared: 04/01/2024

Phone: 471-5896

	<b><u>FY 2024-2025</u></b>		<b><u>FY 2025-2026</u></b>		<b><u>FY 2026-2027</u></b>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
<b>Total Funds</b>		<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>

LB 196 amended by AM3100 adjusts the beginning date from July 1, 2023 to July 1, 2024 and for each officer while in service of the Nebraska State Patrol; it changes the percentage from 8% to 10% of the officer’s monthly compensation to pay or have paid on the officer’s behalf for each officer.

AM 3100 also changes the beginning date from July 1, 2023 to July 1, 2024 and the percentage of the sum from 25% to 24% of each officer’s monthly compensation that will be assessed against the State Patrol’s appropriation and credited to the State Patrol Retirement Fund

AM 3100 repeals Sec. 2. Original section 81-2017

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.

**Major Objects of Expenditure**

<u>Class Code</u>	<u>Classification Title</u>	<u>24-25 FTE</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>24-25 Expenditures</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>
<b>Total</b>							

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2024

LB<sup>(1)</sup> 196 AM3151

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Dept. of Administrative Services – Risk Management

Prepared by: <sup>(3)</sup> Sarah Skinner Date Prepared: <sup>(4)</sup> 04/02/2024 Phone: <sup>(5)</sup> 402-419-4229

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	\$46,768	_____	\$47,404	_____
TOTAL FUNDS	<u>\$46,768</u>	_____	<u>\$47,404</u>	_____

Explanation of Estimate:

LB196 as amended by AM3151 extends the filing of a claim under the In the Line of Duty Compensation Act from one year after the date of death to three years, retroactive to claims on or after January 1, 2022. The three-year filing extension expands the breadth of claims under the Act within the current 45-day time limit for investigations of a claim, which strains existing Department of Administrative Services Risk Management (DAS-Risk Management) resources.

DAS-Risk Management anticipates additional claims to be paid under the Act, at a minimum of \$550,000 annually, but could be significantly higher in any given year based on variable claims and the growth in compensation amount based on the Consumer Price Index. (Three claims at \$275,000 X estimated 3% CPI = \$849,750). Additional General Fund for Claims under the In the Line of Duty Compensation Act would be required as part of the appropriate annual Claims Bill.

DAS-Risk Management will need an additional part-time Paralegal I FTE to investigate claims. Based on an estimated three claims annually, the half FTE would dedicate 1,080 hours for claims investigations.

The estimated cost for this part-time FTE is \$46,768 in FY24-25 and \$47,404 in FY25-26. These costs include salary and benefits (health insurance is budgeted using the State’s share of the highest cost family plan as a bases); and ongoing annual operating costs (communication/data processing, computer leasing, printing/publication, rent/depreciation surcharge, and supplies. There would also be a one-time cost of \$1,500 for the part-time FTE in FY24-25 for set-up costs and the cost of new non-capitalized equipment (monitor, furniture, etc.).

These additional costs would result in the need for additional revolving fund appropriation for DAS-Risk Management’s Administration Program for FY24-25 and beyond. The DAS-Risk Management’s Administrative Program is funded by the Workers’ Compensation and State Insurance funds.

Any increase in a DAS assessment/rate can impact the enterprise due to possible increases in an assessment and/or rate charged to other agencies for Workers’ Compensation and State Insurance. The FY24-25 assessments and rates have been published and would need to be revised.

**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>
Paralegal I	.50	.50	\$22,298	\$23,413
Benefits.....			\$17,958	\$18,979
Operating.....			\$6,512	\$5,012
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$46,768	\$47,404

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

**2024**

**LB<sup>(1)</sup> 196 AM3151**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State Patrol

Prepared by: <sup>(3)</sup> Carol Aversman Date Prepared: <sup>(4)</sup> 04-04-2024 Phone: <sup>(5)</sup> 402-479-4545

**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	\$2,770,810		\$2,770,810	
CASH FUNDS	\$671,778		\$671,778	
FEDERAL FUNDS	\$117,465		\$117,465	
OTHER FUNDS	\$11,427		\$11,427	
<b>TOTAL FUNDS</b>	<b>\$3,571,480</b>		<b>\$3,571,480</b>	

Explanation of Estimate:

**There is no change to the fiscal note filed for LB 196, AM 3100 as a result of amendment 3151.**

LB 196 increases the amount of the retirement contributions that the Agency must make to the sworn officers' retirement accounts. The current requirement is 16% of earnings for officers hired prior to 7/1/16, and 17% of earnings for officers hired on or after 7/1/16. LB 196, AM3100 increases the required contribution that the Agency must make to 24%. The amendment also reflects a change in the required contribution that the Officers must make to 10% from 16% of earnings for Officers hired prior to 7/1/16 and from 17% for Officers hired on or after 7/1/16.

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**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.....			\$3,571,480	\$3,571,480
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$3,571,480</b>	<b>\$3,571,480</b>

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

**2024**

**LB<sup>(1)</sup> 196 AM3100**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Employees Retirement Systems )NPERS)-085

Prepared by: <sup>(3)</sup> Teresa Zulauf Date Prepared: <sup>(4)</sup> 3/25/24 Phone: <sup>(5)</sup> 402-471-7745

**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	<u>20,000.00</u>	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>20,000.00</u>	_____	_____	_____

**Explanation of Estimate:**

LB 196 will change the provisions relating to Nebraska State Patrol Retirement System.

AM3100 will change the employee contribution rate to 10% for all troopers. There would also be a change in the employer contribution rate to 24%.

NPERS estimates that it could take 200 hours of programming with a cost estimate of \$20,000.

**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.....	_____	_____	_____	_____