

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

BALLARD: Good afternoon and welcome to the Nebraska Retirement Systems Committee. My name is Beau Ballard. I represent the 21st District in northwest Lincoln, northern Lancaster County. I serve as chair of this committee. We'll start off by having the committee and committee staff do self-introductions, starting on my far left with Senator Sorrentino.

SORRENTINO: Tony Sorrentino, Legislative District 39, Elkhorn and Waterloo.

TREVOR FITZGERALD: I'm Trevor Fitzgerald, committee legal counsel.

CONRAD: Hi, I'm Danielle Conrad from north Lincoln.

CLEMENTS: Rob Clements, District 2, Cass County, eastern Lancaster.

BALLARD: Also assisting the committee is our committee clerk, Connie Thomas; and committee page, Lexi from Pender, a senior at University of Nebraska-Lincoln majoring in agricultural communications. This afternoon, we'll be hearing two bills that will be taken in the order listed outside the room. On the table near the entrance, you will find green testifier sheets. If you're planning to testify today, please fill it out and hand it to the page when you come up. This will help keep an accurate record of the hearing. Please note that if you wish to have your position listed on the committee statement for a particular bill, you must testify in that position during the bill's hearing. If you do not wish, wish to testify, but would like your record on, on-- like to record your position on the bill, please fill the yellow sheet at the entrance. Also, I would note that the Legislature's policy is that all letters for record must be received via online common portal by the committee by 8 a.m. the day of the hearing. Any handouts submitted by the testifier will also be included as part of the record as exhibits. We would ask if you have any handouts that you please bring 12 copies and give them to the page. If you need additional copies, copies, the page can help you make more. Testimony for each bill will begin with the introducer's opening statement. After the opening statement, we'll hear from supporters of the bill and those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will be given an opportunity to make closing statements if they wish to do so. We, we ask that you begin your testimony by giving us your first and last name, and please spell them for the record. Because this committee meets over the lunch hour and members have other hearings beginning at

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

1:30, we'll be using the 3-minute light system. When you begin your testimony, the light on the table will turn green, the yellow light will mark your 1-minute warning, and when the red light comes on, we'll ask you to wrap up your final thoughts. We'll remind everyone, including senators, please turn off or silence your phones. We'll begin today's hearing with LB1166, and welcome up Senator Juarez.

JUAREZ: Good afternoon, Chair Ballard and members of the Retirement Committee. My name is Senator Margo Juarez, M-a-r-g-o J-u-a-r-e-z, and I represent District 5. LB1166 would amend the School Employees Retirement Act to adjust the effective date of the annual employee contribution rate for the school retirement fund. Under current law, the contribution rate is calculated on July 1 and becomes effective immediately on that same date. LB1166 would modify that schedule so that beginning in 2027, the contributions rate calculated on July 1 would instead take effect on September 1. The purpose of this change date is straightforward to better align the contribution rate with the school fiscal year, which begins on September 1, and with the budgeting processes and payroll cycles used by school districts across Nebraska. Aligning these dates would streamline administrative processes and create clear, more predictable financial planning for both school employers and employees. The question of whether the annual contribution rate should begin on July 1 or September 1 was discussed last session, even before the passage of LB645. At that time, many of us viewed this as a technical issue that could and should be addressed through subsequent legislation. LB1166 does exactly that. This bill is practical, commonsense adjustment that improves alignment, reduces confusion, and supports the operational realities of our schools. I know those representing schools, NSEA and Nebraska Council of School Administrators have reached out to us and support this change. I ask for your consideration of LB1166, and I'm happy to answer any questions.

BALLARD: Thank you, Senator.

JUAREZ: Thank you.

BALLARD: Thank you, Senator Juarez. Are there any questions? Seeing none, thank you. First proponent for LB1166. Good afternoon.

TIM ROYERS: Good afternoon, Chair Ballard, members of the Retirement Systems Committee. For the record, my name is Tim, T-i-m, Royers, R-o-y-e-r-s. I'm the President of the Nebraska State Education Association, and I'm here on behalf of our members to testify in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

support of LB1166. First, I want to make sure to express NSEA's deep appreciation of the committee's work in passing LB645 last year. That legislation has been a resounding success in bolstering the financial well-being of school employees enrolled in the statewide school employees retirement plan. By reducing the employee contribution rate from 9.78 to 8% last year and then further lowering it to 7.25% effective this July, LB645 has delivered meaningful increases in net take-home pay for thousands of dedicated professionals. These reductions were made possible because the plan is now 102.14% funded, which is a testament to the sound management and prudent policymaking. Our members have felt the direct impact, more money in their pockets to support their families, pay down debt, or invest in their communities. This has not only improved morale, but also aided in recruitment and retention efforts amid ongoing educator shortages. Now looking forward, LB1166 represents a logical next step to refine and strengthen the system we implemented last year. The bill proposes shifting the effective date for future contribution rate adjustments from July 1 to September 1, beginning in 2027. This change aligns the retirement contribution timeline with school districts' fiscal years and typical salary negotiation cycles. Currently, rate changes in July can create budgeting challenges as they come before the September 1 start of most school fiscal calendars and any annual pay adjustments on the employee side. By synchronizing these dates, LB1166 ensures that any potential future increases in contribution rates, should they ever be necessary due to market fluctuations, would coincide with likely salary increases. This alignment would help mitigate or even fully offset the financial impact on employees, preventing unexpected reductions in take-home pay mid-contract year. For school districts, it simplifies budgeting and planning, allowing for more accurate projections and equitable compensation packages. In essence, it's a proactive measure to protect the gains we've made and to safeguard the retirement security of our school workforce. NSEA urges the committee to advance LB1166 without delay. This bill is a commonsense enhancement that supports fiscal responsibility, employee stability, and the overall health of the public education system. Thank you for your time and consideration and a special thank you to Senator Juarez for introducing this legislation. I'm happy to answer any questions you may have.

BALLARD: Thank you, Mr. Royers. Are there any questions? Senator Sorrentino.

SORRENTINO: Thank you, Chairman Ballard. Welcome, Mr. Rogers-- or Royers. Do you recall probably about 4 or 5 weeks ago that I asked of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

you and others in your office the following question: Is there any actuarial effect or could there be an actuarial effect positive or negative by moving the calculation date from July 1 to September 1?

TIM ROYERS: Our understanding is no.

SORRENTINO: And that was the information you gave me that day. I further asked, if that's the case, that the plan actuary, not an actuarial report, but the plan actuary, send me a letter in writing, stating that very fact, because I think this committee and this body needs to know that there is or there would not be. I've received nothing. I've not received a letter. I've not received a phone call. I wanted a letter, can you tell me why?

TIM ROYERS: I can't speak for the actuary, but I'm happy to follow up and reiterate the importance of clarifying this for you.

SORRENTINO: All right. And until I get the letter, I will be against this particular bill, but thank you.

TIM ROYERS: OK.

BALLARD: Thank you, Senator Sorrentino. Additional questions? Seeing none, thank you Mr. Royers.

TIM ROYERS: Thank you very much.

BALLARD: Additional proponents? Seeing none, any, any in opposition? Seeing none, any in the neutral capacity? Good afternoon.

TYLER CUMMINGS: Good afternoon, Chairman Ballard and members of the Retirement Systems Committee. My name is Tyler Cummings, T-y-l-e-r C-u-m-m-i-n-g-s, and I am the Interim Director for the Nebraska Public Employees Retirement Systems. I'm here to provide brief comments on LB1166. As you know, this bill would change the dates of any future contribution change for school plan members and employers from July 1 to September 1 beginning in 2027. NPERS does not foresee any difficulty making this change in our pension administration system. It will require us to properly inform school districts should there be a change in the contribution rate. By moving this date from July to September, it would provide us some additional time to deliver this information to employers. I do want to make this committee aware that contribution rates were changed in 2009. At that time, those changes became effective on September 1. Though I did not see this explicitly stated in the committee hearing at that time, it's my understanding

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

that date was selected to better align with the school year. To Senator Sorrentino's question about the actuarial cost study. I did speak with the actuaries yesterday and asked, asked the same question just to be sure I had an answer. The way it's portrayed is that since contribution rates can go up and down, effectively, it will be a wash for the plan. Now, I can reach out to the actuaries to provide some documentation on that analysis for you and for the committee. And so with that, that will conclude my testimony. And I would be happy to answer any questions you have.

BALLARD: Thank you, Director. Senator Sorrentino.

SORRENTINO: Thank you, Chairman Ballard. If you would do that, I'd appreciate it. Because I, I think good governance, we just want that in writing.

TYLER CUMMINGS: Yeah.

SORRENTINO: Thank you.

TYLER CUMMINGS: I'll follow up. Yep.

BALLARD: Thank you, Senator Sorrentino. Additional questions? Seeing none, thank you for your testimony. Any of those in the neutral? Seeing none, Senator Juarez, would you like to close?

JUAREZ: Thank you very much. I do want to state also that I have information here that something can be provided in writing in regards to Senator Sorrentino's question. There is-- as everyone has also stated, that there's not any issues in regards to this, but it can be provided in writing as requested. I would like to thank those who came to provide testimony today and I appreciate that they were here to support this bill. I want to thank you for your time and consideration and I look forward to working with you to get this out of committee. Thank you.

BALLARD: Thank you, Senator Juarez. Any additional questions? Seeing none, that will close our--we do have three proponent letters, no in the opposition-- none in opposition, and none in neutral. That will close our hearing on LB6-- LB166 [SIC], open up our hearing LB1102.

SORRENTINO: Welcome, Senator Ballard, please proceed.

BALLARD: Good afternoon, Vice Chairman Sorrentino and members of the Nebraska Retirement Systems Committee. My name is Beau Ballard, for

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

the record, that is B-e-a-u B-a-l-l-a-r-d, and I represent the 21st District in northwest Lincoln, northern Lancaster County. As the committee knows in 2021, the Legislature transferred the management of the Omaha School Employees Retirement System, OSERS, from Omaha Public Schools to the, to the Nebraska Public Employees Retirement systems, NPERS. LB1102 is a bill aimed at aligning several provisions of the OSERS plan with those in the school plan, which applies to employees of all other school districts in the state. The genesis of LB1102 came towards the end of last session when several senators' offices were contacted by a representative of the Omaha Education Association regarding the, the OSERS cost of living, living adjustment payments and how the COLA statutes were being interpreted differently by NPERS of how they previously were interpreted by OPS. In an attempt to resolve this issue, my office worked extensively with NPERS and the NSEA over the interim to try to provide clear statutory language regarding the COLA payment timeline. In addition, the hope was to more closely align the language of timelines for both the school plan and the OSERS plan to create efficiencies for the NPERS administration and the OSERS plan going forward. LB1102 makes three clear changes to the OSERS plan to address the COLA issue and align the plan with-- align the plans with the school plan. First, LB1102 would change the calculation adjustment dates for the COLA payment to align with both the plan's year and the school plan. Currently, the annual COLA are calculated each year on January 1 and paid on February 3, while medical COLAs are calculated each year on September 1 and paid out on October 3. Under LB1102, both COLAs will be calculated on September 1 and paid the last day of the month in September. Second, LB1102 would align the annuity payment date under the OSERS plan with the payment date under the school plan. Section 3 of the bill sets the annuity payment date for the OSERS plan on the last business day of each, each month, which is the same date required under the school plan. Finally, LB1102 would amend the definition of retirement date in the OSERS plan, so that mirrors the definition of retirement date in the school plan. The previous definition delegated the authority to fix retirement dates for retirees to the Public Employees Retirement Board. I believe addressing the OSERS COLA issue and finding administrative efficiencies by aligning the OSERS plan and the school plans is a laudable policy goal. And, obviously, any time you change timing within retirement statutes, there is potential impact to the plan. As noted, the actuarial study was received by the committee earlier this week, changing the timing of the COLA adjustment results, results in eight OSERS members receiving two COLA payments in 2026. One calculated January 1, that was just paid out this week. And the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

second calculated on September 1, which will be paid out by the end of September. While the actuarial studies estimate that LB1102 will increase OPA's-- OPS's actuarial required contribution, the bill is not only potential impact to the funding status of the OSERS plan that is currently pending. Last month, members of the committee received a copy of the experience study for the OSERS plan conducted on behalf of NPERS. While the PERB Board has not yet taken action on the recommendations in the experience study, should the Board adopt these recommendations while keeping the assumed rate at 7%, OPS would see a reduction in the ARC payment of \$1.8 million-- \$1.84 million, which would more than offset the impact of proposed changes in LB1102. Representatives of NSEA and OEA and NPERS are all testifying behind me, but I'd be happy to answer any questions at this time.

SORRENTINO: Questions for Senator Ballard from the committee? Seeing none, thank you.

BALLARD: Thank you, Vice Chair.

SORRENTINO: I'm assuming you'll stay to close?

BALLARD: I'll be here.

SORRENTINO: All right. First proponent, please. Mr. Royers.

TIM ROYERS: Hello, Vice Chair Sorrentino, members of the Retirement Committee. For the record, my name is Tim, T-i-m, Royers, R-o-y-e-r-s. I'm the President of the Nebraska State Education Association and I'm here on behalf of our members to testify in support of LB1102. The bill makes practical, commonsense adjustments to OSERS to align it-- to align its administration with other state retirement plans managed by NPERS and the PERB, PERB. I want to say PERB Board but it's PERB. The need for LB1102 stems directly from challenges encountered during the recent transition of OSERS administration from OPS and the OSERS Board of Trustees to NPERS and PERB. This shift, while necessary for improved oversight and efficiency, led to an unintended 1 month delay in the January 2025 cost-of-living adjustment payments due to statutory interpretation issues. Retirees were unfairly impacted, receiving their adjustments later than expected. LB1102 addresses this by updating the definition of retirement date, shifting monthly benefit payments to the end of the month, and moving the annual COLA adjustments, including the formula annuity COLA and the medical COLA to September 1 beginning this year. This alignment not only rectifies the 2025 delay, but also streamlines operations by calculating both

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

COLAs on the same date, reducing administrative costs through the single annual notification instead of having to send two, which they currently do. As was already mentioned, the actuarial cost study estimates that there would be a net increase of approximately \$444,000 in additional district contributions due to this. However, from our perspective, this analysis does not account for the fact that they would have fundamentally saved the exact same amount of money because there was a delay in the 2025 COLA. And, furthermore, as you already heard, if they adopt the recommendations of maintaining the 7% investment return, OPS is already standing to see a \$1.8 million reduction in their ARC payment. So even if that was actually accurate, OPS would still see a net reduction in their ARC payment even if LB1102 was adopted. In summary, LB1102 enhances fairness for retirees, promotes administrative efficiency, and ensures OSERS operates in harmony with other NPERS administered plans. And I think one other point of context to add for you all-- you know, we often come to you or your colleagues with bills for various-- from various sources, this bill was actually democratically decided at our delegate assembly last April. Our delegates voted to have the organization work to try and get this bill done. And you'll hear more about that here in just a moment. But this truly represents the will of our membership desire to see this fixed for our Omaha retirees. So I'm happy to answer any questions that you may have.

SORRENTINO: Questions for Mr. Royers? Senator Juarez.

JUAREZ: Thank you, so I just have one question just to clarify here, this \$444,000 is this a one-time change that's going to happen?

TIM ROYERS: Yes

JUAREZ: OK. Thank you

SORRENTINO: Other questions for Mr. Royers? Seeing none, thank you.

TIM ROYERS: Thank you very much.

SORRENTINO: Next proponent, please. Welcome.

ROGER REA: Thank you. Good afternoon, Vice Chairman Sorrentino and members of the Retirement Committee. I am Roger Rea, R-o-g-e-r R-e-a. I'm a member of the Omaha School Employees Retirement System, also known as OSERS, and a former trustee of that plan. I'm here today to support LB1102. LB1102 makes three essential changes in the way that OSERS pays benefits to OSERS retirees: First, it moves the payment

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

date for earned pensions from the third of the month following earned benefit to the last working day of the month in which the benefit is earned. Secondly, it moves the payment day for the OSERS medical COLA from October 3 of each year to the last working day in September each year for those retirees who are eligible to receive that benefit. And, third, it moves the payment of the annual COLA benefit from January or February of the year following the end of the fiscal year for the plan to the last working day in September following the end of the fiscal plan for the year. Fiscal year for OSERS ends August 31 of each calendar year, which corresponds to the fiscal year for the plan sponsor, Omaha Public Schools. As a side benefit of these changes, LB1102 would simplify the work for NPERS administering the OSERS benefits-- plan benefits. All of the dates that I mentioned previously are unique to the OSERS plan. When the changes in LB1102 are fully implemented, the benefit schedule for payment of OSERS plan members will closely mirror the benefit payment schedule for other retirement plans administered by NPERS. Excuse me. When OSERS implemented the original payment schedule for the benefits, there were constraints put on the timing of the benefit payments that had to do with the capability of the plan to quickly calculate and reprogram the school district computer to pay the benefits. For example, although the fiscal year of OSERS ends August 31, the general COLA could not be calculated in time to pay the benefit in September. The federal government did not issue cost-of-living data until mid to late September. The computer program that OPS used at the time was written entirely by in-house programmers and lacked the automated sophistication of modern retirement plan computer systems, all of which delayed the payments of the earned benefit. There were other administrative considerations that further delayed the payment until the beginning of the following calendar year. LB1102 makes a correction in the payment of the automatic COLA that has been long needed in this regard. All OSERS retirees will benefit from a timely repayment of their earned benefits when LB1102 is fully implemented. I encourage you to move LB1102 to a full Legislature. Passage of LB1102 will put money in the hands of OSERS retirees more quickly. Since retirees spend their retirement benefits in the communities where they live, it will help create economic stimulus for the entire state. Thank you for your time and consideration. I'll be happy to answer any questions you may have.

SORRENTINO: Thank you, Mr. Rea. Are there-- boy, that was right on 3 minutes. Thank you, Mr. Rea. No questions from--

CONRAD: I have one.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

SORRENTINO: Oh, Senator Conrad.

CONRAD: Thank you, Senator. Thank you for being here, Mr. Rea, and for your service to kids in education and to your professional organization and the retirees that you work really diligently on their behalf. I remember your email communications originally raising this issue, and I am glad we finally have a chance to perhaps resolve the issue that, that you've identified here. I know that you had a compressed period of time to share the technical and policy framework with us, but I was also hoping, because I know-- I, I think I remember from our emails, communications and perhaps email communications and in-person conversations with other members in the plan that were impacted by this unexpected interpretation. It literally caused significant hardship for many retirees where they were counting on this adjustment at this time in good faith and it threw their, their family budget into a tailspin.

ROGER REA: Yes.

CONRAD: I didn't know if you wanted to share any more information about what you were hearing or seeing from your fellow members, but I know that for folks living on a fixed income and in the middle of an affordability crisis, what seems like a small technical change actually caused quite a bit of negative disruption in their daily lives and buying medicine and gas and groceries and all of the necessities of life without even getting to the, to the wants beyond the needs.

ROGER REA: Skipping the payment in January of last year essentially reduced the benefits by roughly 8%.

CONRAD: Yeah.

ROGER REA: If you see an 8% reduction in your, in your cost-of-living adjustment, that kind of wipes the whole cost of the adjustment out, was only getting 1.5% to begin with.

CONRAD: Yeah.

ROGER REA: So people who were depending on that or was expecting it and suddenly they found out almost after the fact that they didn't get it. And finding out after the fact that you're not going to get the benefits that you were counting on causes a disruption in your financial planning.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

CONRAD: Yeah, absolutely. And I'm, I'm glad that you're keeping such a, a careful watch on this issue with your expertise and on behalf of so many others, but-- and it is good that we'll have a chance to rectify this, I mean, a year or so after it, it came to fruition. But, you know, I think that this Legislature in many respects has lost touch with the challenges that people living on a fixed income or people who work for a living are finding, wading through the world today. And, again, what sounds like, maybe, small potatoes to some members of this body really has dramatic impacts on people's lives. I mean, I remember hearing from members who were talking about, you know, how they had to delay payments on bills, how they had to change plans in their family budget that they had carefully crafted based upon each of these dollars and cents. I mean, I know, for example, when I was out petitioning on minimum wage, I literally met families at the door when I was asking for their signature who had a mason jar on top of the, the laundry to catch spare change to pay for school supplies for their families. So these issues are real. And this Legislature has been indifferent or hostile to the plight of working men and women. And I think it's abhorrent. And I hope in this small but meaningful way, we write this for this set of people. Thank you.

ROGER REA: Thank you.

SORRENTINO: Thank you, Senator Conrad. Any further questions from the committee? I don't have a question, but I have a comment. I found your testimony to be very clarifying and helpful. Thank you.

ROGER REA: Thank you.

SORRENTINO: Next proponent. Seeing none, are there anybody who wish to testify in opposing? Seeing no opponents, is there anybody who wish to testify in neutral, then? Welcome back.

TYLER CUMMINGS: Thank you. Good afternoon, Vice Chair Sorrentino and members of the Retirement Systems Committee. My name is Tyler Cummings, T-y-l-e-r C-u-m-m-i-n-g-s, and I am the Interim Director for the Nebraska Public Employees Retirement Systems. I am here to provide neutral testimony on LB1102 and to give additional context regarding the changes outlined in the proposal. First, this bill proposes changing the payment date for Omaha School retirees from the third day of the month following the month in which the payment becomes effective to the last business day of the month the payment becomes effective. Currently, if a retirement payment becomes effective on January 1, it is paid on February 3. Under this proposal, the payment

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

will be made on January 31, or the last business day the month should it be earlier. Presently, we have two separate payment processing timelines for OSERS and our other defined benefit plans that are merely days apart. This change aligns the OSERS payment schedule with our other defined benefit plans and creates efficiencies for our agency by eliminating duplicate work. Second, this bill would change the adjustment dates of the automatic cost-of-living adjustments from January 1 to September 1, effectively moving the adjustment up by 4 months. When researching the legislative history, we found that the original intent was to apply the automatic COLA on September 1. However, due to software limitations at that time, OSERS could not apply the COLA until several months later. Our pension system can support applying the COLA in September. Additionally, applying the COLA in September will result in cost savings of approximately \$5,000 per year. Because we are required to notify members anytime their benefit amount changes, we send letters when the COLA is applied. With this bill, the automatic COLA and the medical COLA would be applied in the same month allowing us to send a single letter at that time and create cost savings for OSERS plan members. Finally, LB1102 clarifies language for the medical cost-of-living adjustment dates to align with the practice of making payments or adjustments based on an effective date at the beginning of the month. Currently, statute references that the medical COLA will be adjusted on October 3. October 3 is a payment date rather than an effective date. Therefore, the bill updates the medical COLA to be effective on September 1. Due to the payment date language mentioned earlier, the medical COLA would be paid on the last business day of September rather than October 3. This update does not change the calculation of the medical COLA. I would like to thank this committee, committee legal counsel, and NSEA for working with us on these proposals. Thank you for your time, and I'd be happy to answer any questions you may have.

SORRENTINO: Thank you. Are there any questions from the committee for Mr. Cummings? Senator Conrad.

CONRAD: Thank you, Mr. Cummings. I'm sorry, I just don't have it off the top of my head, and I'm not sure if it was mentioned in the testimony thus far. Do you have a sense about what the COLA is on this plan?

TYLER CUMMINGS: In what regard? Like--

CONRAD: What percentage?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

TYLER CUMMINGS: Yes, so Tier 1 members can receive up to 1.5% percent COLA. Tiers 2 through 4 receive up to 1% COLA.

CONRAD: OK. And then I know it's pretty rudimentary, but I'd like to, to make a point later. What's the purpose of a cost-of-living adjustment?

TYLER CUMMINGS: Yes, so it's tied to the CPI, so it was tied to inflation. The purpose of it is to provide those that are receiving benefits and, and retirement the ability to continue their payment and to afford any rise in inflation so that their purchasing power doesn't diminish over time. So that is the purpose behind the automatic COLA.

CONRAD: Very good. Thank you.

SORRENTINO: Any further questions for Mr. Cummings? Seeing none, thank you for your testimony.

TYLER CUMMINGS: Thank you.

SORRENTINO: Is there anyone else who wishes to testify in a neutral capacity? Seeing none, Senator, you are free to close and waive close.

CONRAD: Smart move.

BALLARD: You have any questions? I can [INAUDIBLE]. I just want to say a quick thank you to NPERS, NSEA, Mr. Rea, for really pointing out this, this issue and working with Senator Conrad, he worked with Senator Conrad, and we're really glad to be getting this done this session. So with that, I'd be happy to answer any questions.

SORRENTINO: Questions of Senator Ballard? Yes, Senator Conrad.

CONRAD: Thank you, Senator. Thank you, Senator Ballard. Senator Ballard, why-- I just want you to help to compare and contrast your actions today in this Legislature versus yesterday in this Legislature. So today you're taking a step forward to try and protect cost-of-living increases for retirees, but yesterday you took efforts to restrain cost-of-living efforts for low-wage workers. How does that square?

BALLARD: I think we're doing something very similar. We fixed-- the COLA is a fixed amount, as in this bill, and yesterday we had a fixed amount for businesses to be able to budget for, for wage increases, similar to what we do with these plans so we can budget.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

CONRAD: Quick question. Was the COLA that is accounted for in the retirement plan adopted by a vote of the people of Nebraska?

BALLARD: No.

CONRAD: Was the measure yesterday adjusting an issue that was adopted by the people-- by a vote of the people of Nebraska?

BALLARD: The measure yesterday. It was on the ballot.

CONRAD: LB250.

BALLARD: It was the ballot, yes.

CONRAD: And what was the outcome of that effort?

BALLARD: The outcome of the vote yesterday or the vote of the ballot?

CONRAD: Either. Both.

BALLARD: It passed on the ballot. I think-- and we voted to have some guidance for small businesses that have to deal with a lot of these minimum wage increases on a daily basis.

CONRAD: So I'm just not quite understanding the, the parallel in your thinking with your policy position. So we recognize that cost-of-living adjustments frequently don't actually even keep pace with inflation, as is the case in this instance where a 1.5% or a 1% COLA doesn't come near where we are with inflation. Would you agree with that, that this COLA isn't even covering actual inflation?

BALLARD: I think compounded. It's compounded.

CONRAD: How? Explain that.

BALLARD: So it's-- I mean, inflation is-- you're right, we are. I completely agree with you, inflation is, is on an upward trend over the last 4 years. It's, it's, it's becoming increasingly harder to afford things. And that's through, I think, movements at the federal level, some that I've disagreed with, and I think this is a step forward in a controlled sense to give retirees more purchasing power for their retirement plans.

CONRAD: So you're sympathetic to the plight of retirees to a certain degree in having their COLA not keep pace with inflation, but not minimum wage workers?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

BALLARD: I think we, we attached a 1.75. So that's very similar to what we're doing here.

CONRAD: Is that on par with actually what inflation is calculated, because the measure that people voted on actually tied it specifically to inflation, and your vote yesterday undercut it from an inflationary metric?

BALLARD: I think if you look at the last 10 years, I think 1.75 is on par and lets small businesses, small businesses that a lot of us own on this retirement board trying to budget for wages.

CONRAD: So your contention for your vote yesterday is that it's in your financial best interest--

BALLARD: No, that's not it, that's not it at all.

CONRAD: --as a small business owner to make that change?

BALLARD: No, it is--

CONRAD: That's what you said.

BALLARD: No, I'm saying it's small-- so your, your family's small business, so they can adjust, they can budget. We do budgets year in advance, 6 months in advance. And we can see-- we expect a 1.75 increase. My small business, we pay well above minimum wage. And so it doesn't really impact my, my bottom line. But for those small businesses-- outside of Lincoln and Omaha, these small businesses around Nebraska, they can budget for that, and they can know what to expect. So I, I, I think that is a fair-- 1.75 is fair. And I think the COLA we're talking about here is very fair as well.

CONRAD: Can small businesses budget for things like the impacts of tariffs?

BALLARD: It's difficult.

CONRAD: Can small businesses budget for things like spiraling health insurance costs?

BALLARD: It's very difficult. It's--

CONRAD: So the only time that you want to provide them some sort of specific clarity is when it hurts low-wage workers?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee February 6, 2026
Rough Draft

BALLARD: I, I have been very concerned about impacts at the federal level as tariffs.

CONRAD: Have you spoken out about those?

BALLARD: Yeah, I've spoken.

CONRAD: Where?

BALLARD: I mean, I've spoken to federal delegates. I've spoken to the Secretary of Commerce. I said this is hurting small businesses in Nebraska. And I think it's important that we address this and that the federal government can do what they-- that they can do what they please on that. And I just-- sometimes I just disagree with that.

CONRAD: Mm-hmm. Thank you.

SORRENTINO: Any further questions for Senator Ballard? If not, thank you, Senator Ballard.

BALLARD: Thank you.

SORRENTINO: That closes our hearing on LB1102 and our hearing for the day. Thank you. Online comments: ADA accommodation testimony was none; written position comments: two proponents, no opponents, and no neutral. Thank you.