

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS		See below		See below
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.**

LB737 would enact the First Responder Education Act. Public postsecondary institutions of the University of Nebraska, Nebraska State College System and the Nebraska Community College Areas would be subject to provisions of the act. The bill would require respective institutions to provide first responders (defined by the bill) a waiver of 30% of resident tuition charges (remaining after subtracting awarded federal financial aid grants and state scholarships and grants) if the first responders (a) maintain satisfactory performance with their response agency (defined by the bill), (b) meet the admission requirements of the respective institution, and (c) pursue studies leading to an associate or baccalaureate degree that relates to a career in fire protection or emergency management. The respective public postsecondary entities are to adopt procedures, rules and regulations necessary to carry out the act.

Providing tuition waivers as prescribed by LB737 will result in reductions in net tuition revenue to accrue to respective postsecondary institutions subject to provisions of the bill. Such reductions in revenue will result in corresponding reductions in resources available to support the general operations of the respective institutions. Based on certain varying assumptions applied, the respective public postsecondary education sectors estimate the following reductions in net tuition revenue relative to provisions of LB737:

	<u>2018-19</u>	<u>2019-20</u>
Nebraska Community College Association *	(248,769)	(248,769)
Metro Community College Area	<u>(45,000)</u>	<u>(45,000)</u>
Subtotal Community College Areas	(293,769)	(293,769)
Nebraska State College System	(44,370)	(66,555)
University of Nebraska	<u>(510,000)</u>	<u>(510,000)</u>
<b>TOTAL</b>	<u><b>(848,139)</b></u>	<u><b>(870,324)</b></u>

\*(Central, Mid-Plains, Northeast, Southeast, and Western Community College Areas)

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>				
LB: 737	AM:	AGENCY/POLT. SUB: Nebraska Community College Association		
REVIEWED BY: Gary Bush	DATE: 01/12/18	PHONE: (402) 471-4161		
COMMENTS: Agree with the methodology used to determine the impact to Community Colleges. However, the amount included on the fiscal note appears to be calculated for only one semester and only for one year. It is reasonable to believe that the amount of lost revenue (tuition) by the provisions of the bill would be higher and continue past FY2019. It is reasonable to believe that the revenue lost would have been made up from another source like tuition or property taxes.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 737	AM:	AGENCY/POLT. SUB: Metropolitan Community College	
REVIEWED BY: Gary Bush	DATE:	01/12/18	PHONE: <a href="tel:4024714161">(402) 471-4161</a>
COMMENTS: Disagree with fiscal impact identified by the Metropolitan Community College. The College would realize a reduction in revenue, not an increase in expenses. No basis to disagree with the estimate of the number of students impacted. It is reasonable to believe that the revenue lost would have be made up from another source.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 737	AM:	AGENCY/POLT. SUB: Nebraska State Colleges	
REVIEWED BY: Gary Bush	DATE:	01/12/18	PHONE: <a href="tel:4024714161">(402) 471-4161</a>
COMMENTS: The fiscal impact identified by the Nebraska State Colleges appears to be reasonable. It is reasonable to believe that the revenue lost would have be made up from another source.			

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

**2018**

**LB<sup>(1)</sup> 737**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Community College Association

Prepared by: <sup>(3)</sup> Greg Adams Date Prepared: <sup>(4)</sup> 1/10/2018 Phone: <sup>(5)</sup> 402-471-4685

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2018-19		FY 2019-20	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	<u>(\$124,384.50)</u>	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>(\$124,384.50)</u>	<u>_____</u>	<u>_____</u>

**Explanation of Estimate:**

The above calculation is based on the total number of students currently enrolled in one of three degree programs in our community colleges. The total number of students was multiplied by 15 credit hours, multiplied by the resident tuition and fees of the respective college for one semester. Total tuition was multiplied by 30% to find the estimated per semester waiver cost of \$124,384.50. The estimate does not include first responders who may be taking continuing education classes that are non-credit.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____



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

2018

LB<sup>(1)</sup> 737

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State College System (NSCS)

Prepared by: <sup>(3)</sup> Carolyn Murphy Date Prepared: <sup>(4)</sup> 01/11/2018 Phone: <sup>(5)</sup> 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(44,370)	_____	(66,555)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(44,370)	=====	(66,555)

Explanation of Estimate:

LB737 would require that the Colleges of the NSCS provide a 30% tuition waiver, based on resident tuition charges, to eligible first responders pursuing a baccalaureate degree. The current rate for undergraduate resident tuition at the NSCS is \$170 per credit hour. A full-time equivalent (FTE) undergraduate student generally assumes 30 credit hours at the undergraduate level. Therefore, at current rates, for each FTE attendance at the Colleges by eligible first responders, \$1,530 (\$170 x 30 credit hours x 30%) of tuition would be waived under LB737.

The report on the Nebraska State Fire Marshal's website indicates that there are 17,218 firefighters in Nebraska. We do not have information on the total current number of emergency medical responders, however, many may also be firefighters. We also do not know the number that already possess a bachelor's degree, but we do know that in 2015, 33% of adults had a bachelor's degree or more education (according to the U.S. Census Bureau). If we take the number of firefighters at 17,218 and reduce it by an estimated 33% who may already have a bachelor's degree -- that leaves 11,536 firefighters who may be eligible to participate in the tuition waiver.

It is difficult to project the number of first responders, then, who might decide to attend the State Colleges, or the credit hour loads they will choose to take. However, using a fairly simplistic example, if we estimate that 1/2 of 1% of the 11,536 firefighters decide to take advantage of the LB737 and attend one of the Colleges of the NSCS, this would result in a tuition waiver of 30% for 58 students attending Chadron State, Peru State, or Wayne State College. If these 58 students were taking a half-time load (conservative estimate) of 15 credit hours per year, this would result in a required tuition waiver of \$44,370 (\$1,530 x 0.5 x 58) annually. This \$44,370 impact would continue for the four years of these individuals' degree programs.

If an additional 1/4 of 1% of the students decide to take advantage of the program the following academic year, the impact will increase for an additional 29 students on a half-time basis at an impact of \$22,185 (\$1,530 x .5 x 29), increasing the impact to revenues in the second year to \$66,555.

The bill does allow for the calculation of the 30% waiver after applying any federal financial aid and state scholarships/grants, which could lessen the impact in many cases.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____

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

**2018**

**LB<sup>(1)</sup> 737**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 11, 2018 Phone: <sup>(5)</sup> 402-472-2191

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$510,000)	_____	(\$510,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>(\$510,000)</b>	<b>=====</b>	<b>(\$510,000)</b>

**Explanation of Estimate:**

The bill would provide a 30% discount on Tuition to Firefighters and Emergency Medical personnel. It is difficult to determine the number of persons who would be eligible and then take advantage of the program. A similar bill was passed relating to law enforcement. We believe participation in this group will be higher since the volunteer members are not necessarily employed by these agencies as is the case with law enforcement.

We have estimated 2% of roughly 15,000 eligible First Responders (about 17,000 firefighters and 8000 medical – with no way to know duplicates in the groups or the number of current degree holders) may take advantage of the offer; the ability to take online classes is likely to increase program usage. Using the UNL tuition rate and 24 hours/yr. we estimate a reduction in revenue of about \$1700 per participant.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>