

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	219,271		219,271	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>219,271</b>		<b>219,271</b>	

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

LB 450 changes provisions of the State Tuition Assistance Program that is available to National Guard Members. These changes include:

1. Increasing the tuition reimbursement about from 75 percent to 100 percent.
2. Eliminating the prohibition of utilizing the program for members who have already obtained a baccalaureate degree.
3. Eliminating the prohibition of utilizing the program to obtain only a single baccalaureate degree.
4. Clearly define that the Tuition Program is available to guard members who are pursuing a diploma, certificate, associate degree, and baccalaureate degree
5. Change the requirement that credit-bearing courses meet “degree” requirements to said courses meeting “program” requirements to coincide with changes under bullet number four.
6. Expands Tuition Program to guard members who are pursuing a graduate or professional degree program at a rate of 50 percent reimbursement.

The total fiscal impact is derived by totaling those average numbers arrived at under “A.” (\$186,875) and “B.” (\$32,396) below. It should be noted that total spending on the tuition assistance program is capped under current law (RRS 85-505) at \$900,000 during any fiscal year.

- A. In order to determine what increase would occur due to the change in the reimbursement rate from 75 percent to 100 percent under the current program, historical expenditures for FY17 and FY18 were used as a base to calculate what costs would have been for each year. The difference between what was paid at the 75 percent reimbursement rate and what would have been paid at the 100 percent reimbursement rate is demonstrated in the following table:

<b>Expenditures at 75% (Current)</b>		<b>Expenditures at 100% (Under LB 450)</b>		<b>Difference between 75% and 100%</b>	
<b>FY17</b>	<b>FY18</b>	<b>FY17</b>	<b>FY18</b>	<b>FY17</b>	<b>FY18</b>
\$553,295	\$567,957	\$737,727	\$757,276	\$184,432	\$189,319

Without regard to the changes listed under numbers two through six above, an increase in expenditures in FY20 and FY21 is projected to occur. An average between the difference in FY17 and FY18 expenditures outlined in the table is being utilized as an estimated annual minimum increase in expenditures; this average amount is **\$186,875**.

Changes listed under numbers two through five above expand the potential number of guard members that may be eligible for tuition assistance at a 100 percent reimbursement rate by eliminating certain elements that would disqualify a member’s request for tuition assistance. As the number of guard members who would benefit from this expansion of eligibility is difficult to discern, the fiscal impact related specifically to these changes is indeterminate.

- B. Current statute dictates that guard members pursuing graduate and professional degrees are ineligible for tuition reimbursement, under change number six above, the tuition assistance program is expanded to include a reimbursement rate of 50 percent for guard members who are pursuing a graduate or professional degree provided other eligibility requirements are met.

Data was requested from and provided by the Military Department regarding guard members who had received tuition assistance through a federal program. The data provided was for the past two Federal-Fiscal-Years (FFY) and included the total number of number of Army National Guard (ARNG) members pursuing a graduate or professional degree each year and the total number of

credit hours completed by ARNG members each year. Additionally, the number of Air National Guard (ANG) members in a Master's Program for the past three FFY's was provided.

Utilizing this data, a total number of credit hours completed each FFY by guard members was calculated and multiplied by the average cost per credit hour for a graduate program at the University of Nebraska Lincoln to arrive at a total tuition amount each FFY. This amount was then multiplied by 0.5 to arrive at what the maximum expenditure amount each year would have been if the agency had reimbursed at the 50 percent rate. These two amounts were then averaged to determine the average annual fiscal impact. See the table below for the numerical figures:

Agency Graduate/Professional Degree Estimated Expenditures		
	FFY2017	FFY2018
Total Credit Hours	125	188
Total Tuition Cost (\$414 Per Credit Hour)	\$51,750	\$77,832
State Reimbursement Rate (50%)	\$25,875	\$38,916
Average Annual Expenditures	\$32,396	

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	450	AM:	AGENCY/POLT. SUB: Nebraska Military Department
REVIEWED BY:	Gary Bush	DATE:	01/25/19 PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provided by the agency.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	450 (Revised)	AM:	AGENCY/POLT. SUB: Community Colleges
REVIEWED BY:	Gary Bush	DATE:	01/28/19 PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimated provided by the Community College Association.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	450 (Revised)	AM:	AGENCY/POLT. SUB: Metropolitan Community Colleges
REVIEWED BY:	Gary Bush	DATE:	01/28/19 PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimated provided by the Metropolitan Community College. No detail was provided as what the additional costs would be. The General Fund listed by the Metropolitan Community Colleges would be their General Funds, not the state General Funds.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	450	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY:	Gary Bush	DATE:	01/29/19 PHONE: (402) 471-4161
COMMENTS: Concur.			

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

**2019**

**LB<sup>(1)</sup> 450**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Ms. Shawn D. Fitzgerald Date Prepared: <sup>(4)</sup> 1-24-2019 Phone: <sup>(5)</sup> 402-309-8120

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$200,000.00</u>	<u>N/A</u>	<u>200,000.00</u>	<u>N/A</u>
CASH FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
FEDERAL FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
OTHER FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>TOTAL FUNDS</b>	<u><u>\$200,000.00</u></u>	<u><u>N/A</u></u>	<u><u>\$200,000.00</u></u>	<u><u>N/A</u></u>

**Explanation of Estimate:**

As introduced, LB450 would increase the reimbursement rate for undergraduate programs from 75% to \$100% - and would add language to support a 50% State Tuition Assistance reimbursement for graduate or professional degree programs (which currently is not available to Nebraska National Guard Members).

**The anticipated annual fiscal impact for Government Aid to Education:**

\$150,000.00 Annual increase to current appropriation to accommodate a 25% increase in current reimbursement rates.  
 \$ 50,000.00 Annual increase to current appropriation would be required to reimburse 50% of graduate or professional degree program requests

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</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.

**2019**

**LB<sup>(1)</sup> 450**

**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> 1/28/2019 Phone: <sup>(5)</sup> 4024714685

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</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.

**2019**

**LB<sup>(1)</sup> 450**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> David Koebel Date Prepared: <sup>(4)</sup> 1/23/2019 Phone: <sup>(5)</sup> 531-622-2391

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>4,000</u>	<u></u>	<u>4,000</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
<b>TOTAL FUNDS</b>	<b><u>4,000</u></b>	<b><u>0</u></b>	<b><u>4,000</u></b>	<b><u>0</u></b>

Explanation of Estimate:

Additional Tuition Remission Cost.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	<u></u>	<u></u>	<u></u>	<u></u>
Operating.....	<u></u>	<u></u>	<u></u>	<u></u>
Travel.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital outlay.....	<u></u>	<u></u>	<u></u>	<u></u>
Aid.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital improvements.....	<u></u>	<u></u>	<u></u>	<u></u>
<b>TOTAL.....</b>	<u></u>	<u></u>	<u></u>	<u></u>

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

**2019**

**LB<sup>(1)</sup> 450**

**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 25, 2019 Phone: <sup>(5)</sup> 402-472-7109

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 450 increases the coverage for the enrollment of Nebraska National Guard from 75% to 100% of the resident tuition (diploma, certificate, an associate and or baccalaureate degree). It also expands the program to graduate or professional degrees with coverage at 50% of the resident tuition. The National Guard fully funds the cost for students who qualify. There is no fiscal impact to the University.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2019**

**LB<sup>(1)</sup> 450**

**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> 01/28/2019 Phone: <sup>(5)</sup> 402-471-2505

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>-0-</u>	<u>_____</u>	<u>-0-</u>	<u>_____</u>

**Explanation of Estimate:**

LB450 would make changes to requirements of the tuition assistance program provided by the National Guard for its members. There is no fiscal impact to the NSCS.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____