

Updated for 2020 session

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	268,369		268,369	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	268,369		268,369	

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 amount from 75 percent to 100 percent for non-graduate degrees.
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.” (\$81,494) below. It should be noted that total spending on the tuition assistance program is capped under current law (RRS 85-505) at \$900,000.

- 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:

Expenditures at 75% (Current)		Expenditures at 100% (Under LB 450)		Difference between 75% and 100%	
FY17	FY18	FY17	FY18	FY17	FY18
\$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 FY21 and FY22 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 members 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.

The Military Department provided the total number of semester hours where Nebraska Army National Guard (ARNG) members received federal tuition assistance for a graduate degree program for Federal-Fiscal-Year (FFY) 2019. Data for the Air National Guard members was not available.

The number of semester hours for FFY19 was multiplied by \$414 (UNL Cost of Attendance per graduate credit hour) to arrive at a total cost for tuition. This amount was then multiplied by 50 percent to arrive at an estimated impact for this specific change, see the table below for the numerical figures:

Graduate/Professional Degree Estimated Expenditures	
	FFY2019
Total Credit Hours	393.69
Total Tuition Cost (\$414 Per Credit Hour)	\$162,988
Estimated Annual Expenditures (Reimbursement Rate 50%)	\$81,494

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 450	AM:	AGENCY/POLT. SUB: Nebraska Military Department (031)
REVIEWED BY: Joe Wilcox	DATE: 12/10/2019	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Military Department estimate of potential Fiscal Impact to the Agency from LB 450. The agency's revised fiscal note is consistent with the original note prepared in January 2019. The companion A-Bill, LB 450A actually shows slightly higher figures for appropriations, following the estimates of the Legislative Fiscal Office.		

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2020

LB⁽¹⁾ 450

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Military Department

Prepared by: ⁽³⁾ Ms. Shawn D. Fitzgerald Date Prepared: ⁽⁴⁾ 12-9-2019 Phone: ⁽⁵⁾ 402-309-8120

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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>
TOTAL FUNDS	<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 in 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.....				
TOTAL.....				

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2020-21	2021-22
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				