

Revised due to adoption of amendments on General File

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS		\$(64,000)		\$(65,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	\$(64,000)	See below	\$(65,000)

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

LB4 would increase the credit (tuition waiver) for members of the Nebraska Active Selected Reserve from 50% to 75% of resident tuition toward undergraduate degrees. Amendment AM21 dropped the reference to “enlisted personnel” to allow commissioned officers to also receive tuition assistance benefits under the bill.

See attached responses from the University of Nebraska, the Nebraska Community College Association, the Nebraska State College System (NSCS), and the Nebraska Department of Veterans Affairs (NDVA) for details explaining the projected fiscal impact to their agencies.

The University of Nebraska estimates a revenue loss of \$64,000 in FY22 and \$65,000 in FY23 related to tuition that may not be received from the above mentioned students groups upon adoption of LB 4. The Nebraska Community College Association estimates a revenue loss of \$6,548, which will be distributed among the political subdivisions where the students are enrolled. NSCS estimates a minimal loss.

LB 4 does not require an increase in aid or appropriation to account for the reduction in tuition, and as a result, it is reasonable to assume that the postsecondary institutions will be required to absorb the revenue loss.

The Department of Veteran’s Affairs estimates a minimal expense for administration of the bill. It is likely that, given their current level of appropriations, expenses could be absorbed by them.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	4	AM:	21
AGENCY/POLT. SUB:		University of Nebraska	
REVIEWED BY:	Gary Bush	DATE:	2/9/21
PHONE:		(402) 471-4161	
COMMENTS: No basis to disagree with the agency’s estimate of lost tuition revenue due to the provisions of the bill and the amendment. Disagree that lost revenue would require an increase in General Funds from the state as no provisions of the bill provide for the University of Nebraska to remain “budget neutral”.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	4	AM:	21	AGENCY/POLT. SUB:	Nebraska Community College Association
REVIEWED BY:	Gary Bush		DATE:	2/16/21	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provided of lost tuitions to community colleges due to the AM21. The loss of tuition would not occur for only a single year. The estimate of the number of individuals seeking the credit proposed by the bill appears to be low and could reasonably increase. This would result in a greater loss of tuition revenue in future years.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	4	AM:	21	AGENCY/POLT. SUB:	Nebraska State College System
REVIEWED BY:	Gary Bush		DATE:	2/16/21	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the agency's estimate of minimal impact to the agency.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	4	AM:	21	AGENCY/POLT. SUB:	Nebraska Department of Veterans Affairs
REVIEWED BY:	Gary Bush		DATE:	2/16/21	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the agency's estimate of no fiscal impact to the agency. However, such a small amount of impact is very small with regards to the agency's overall budget.					

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

2021

LB⁽¹⁾ 4 AM21

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Veterans Affairs (NDVA)

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 2/10/2021 Phone: ⁽⁵⁾ 531-220-1433

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	3,801.65		3,801.65	
CASH FUNDS	0		0	
FEDERAL FUNDS	0		0	
OTHER FUNDS				
TOTAL FUNDS	<u>3,801.65</u>		<u>3,801.65</u>	

Explanation of Estimate:

The workload related to the implementation of the bill including AM21 would be an estimated additional 3.5 hours per week for a staff assistant 1. General fund appropriation would be needed.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Staff Assistant I	.0875	.0875	2,838.11	2,838.11
Benefits.....			963.54	963.54
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>3,801.65</u>	<u>3,801.65</u>

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

2021

LB⁽¹⁾ 4

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Community College Association

Prepared by: ⁽³⁾ Greg Adams Date Prepared: ⁽⁴⁾ 2/5/2021 Phone: ⁽⁵⁾ 402 471 4685

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	===== (\$6547.50)	=====	=====

Explanation of Estimate:

As described in the original fiscal note for LB 4, the estimated lost revenue to Nebraska's community colleges, if LB 4 were to pass, was \$6,547.50. The amount was based on the number of enrolled active reservists in our community colleges provided to me by the Nebraska Veterans Office, assuming 15 credit hours and an average resident tuition amount.

I don't believe that if LB 4 is amended by AM 21, that the original estimated lost revenue amount will change.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</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.

2021

LB⁽¹⁾ 4 AM 21

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ February 8, 2021 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>64,000</u>		<u>65,000</u>	
CASH FUNDS		<u>(64,000)</u>		<u>(65,000)</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u><u>64,000</u></u>	<u><u>(64,000)</u></u>	<u><u>65,000</u></u>	<u><u>(65,000)</u></u>

Explanation of Estimate:

The original bill extends the tuition credit for military personnel from 50 to 75 percent for undergraduate degrees, the AM makes a modification to the eligibility.

As we understand, this would require the university to waive approximately \$64,000 of tuition revenues in FY 2021-22 and \$65,000 in FY 2022-23. The AM does not change those amounts.

In order to keep the fiscal impact to the University's budget neutral, this fiscal note reflects additional general funds would be appropriated to the University as Aid.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			<u>64,000</u>	<u>65,000</u>
Capital improvements.....				
TOTAL.....			<u><u>64,000</u></u>	<u><u>65,000</u></u>

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

2021

LB⁽¹⁾ 4 as amended by AM21

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System

Prepared by: ⁽³⁾ Carolyn Murphy Date Prepared: ⁽⁴⁾ February 8, 2021 Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>Minimal Loss</u>	<u>_____</u>	<u>Minimal Loss</u>

Explanation of Estimate:

LB4 would increase the credit (tuition waiver) for members of the Nebraska Active Selected Reserve from 50% to 75% of resident tuition for courses toward undergraduate degrees. The committee amendment to the bill (AM21), would remove "enlisted" from personnel, which would allow commissioned officers to participate in the tuition waiver.

Chadron State, Peru State and Wayne State Colleges have had few individuals take advantage of the current waiver in the past five years, therefore, the NSCS anticipates that lost revenue due to the increased waiver and the potential new participants would be minimal.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____