

Updated for the 2024 session

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
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.

The original bill, LB52 amends 85-505 by increasing the total Nebraska National Guard state tuition assistance cap from \$900,000 to \$1,000,000 each fiscal year. The current appropriation for the National Guard State tuition program is currently \$852,793, which is \$47,207 below the current \$900,000 spending cap.

The amendment, AM 337, eliminates the cap for the Nebraska National Guard state tuition assistance. The elimination of the spending cap would create a need for additional appropriations to meet the tuition assistance requests.

The statutes regarding the national Guard state tuition reimbursement are stated as an entitlement to provide such assistance to all Service Members. Statutory changes in 2021 in LB 450 increased the tuition assistance level to 100% of eligible credits for undergraduate degrees and included reimbursement of 50% for graduate degrees. The bill also eliminated the ten-year timeframe for which Service Members may utilize the tuition reimbursement assistance.

Historically, as tuition costs are rising and with the expansion of the program, the Military Department has expended an increasing amount of their available funding. In FY 2023, the Department expended 99.8% of their available funds in addition to one-time ARPA funding in the amount of \$67,452.50. The one-time ARPA funds allowed the Department of meet the \$69,000 need for tuition reimbursement requests as was included in the fiscal note from last session.

With full utilization of funding, including the one-time ARPA funds, not all eligible Service Members were provided tuition reimbursement due to the lack of available funds. In some instances, Service Members who were approved were not reimbursed in a timely manner due to the lack of available funding for the fiscal year and were placed into pending repayment until the following biennium's appropriation.

As tuition costs are rising, the tuition reimbursement program's expansion, and the elimination of the one-time ARPA funds, the Military Department will not be able to meet all Service Members' tuition reimbursement requests at the current spending cap.

If the cap was eliminated, as proposed by the bill as amended, the Military Department anticipates a need for additional funds up to \$200,000 on an annual basis to provide assistance to all eligible Service Members. There is no basis to disagree with the Military Department's estimation of need to fully meet the Nebraska National Guard state tuition assistance requests.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 52	AM:	AGENCY/POLT. SUB: Nebraska Military Department (031)
REVIEWED BY: Joe Wilcox	DATE: 12/08/2023	PHONE: (402) 471-4178
COMMENTS: Agree with the Nebraska Military Department estimate of No Fiscal Impact to the Agency from LB 52. The agency is experiencing increased demand and costs related to tuition, the Military Department has submitted an FY 2023-24 mid-biennium deficit request to increase appropriation in the Tuition Reimbursement program to match costs. LB 52 would allow for such an appropriation beyond the current \$900,000 cap.		

2023 Fiscal Note

Bill Proposal #: LB52- Eliminate a limitation on the amount of tuition credits available to Nebraska National Guard members (AM377)

State Agency: Nebraska Military Department

Prepared by: Patrick Briggs

Date Prepared: 4 December 2023

Phone: (402) 309-8395

Approved by:

Estimate of Fiscal Impact – State Agencies

	FY 2023 - 2024		FY 2024- 2025		FY 2025 -2026	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$0	\$0	\$0	\$0	\$0	\$0
Cash Funds	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Total Funds	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of Estimate:

Removing the cap on Tuition Assistance, does not, in itself, create a fiscal impact. However, because the agency is experiencing increased demand and costs related to tuition, the Military Department has submitted a mid-biennium deficit request to increase appropriation in the Tuition Reimbursement program to match costs. These increases can only be provided if LB 52 passes. The removal of the cap on state tuition assistance will allow the Nebraska Military Department as part of the normal biennium budget process in the future to plan and adjust to tuition costs that rise. The cap on allowable servicemembers will not be removed and remain at 1200 Nebraska National Guard members.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			FY 2023 - 2024	FY 2024- 2025	FY 2025 -2026
	23-24	24-25	25-26	Expenditures	Expenditures	Expenditures
N/A	\$0	\$0	\$0	\$0	\$0	\$0
N/A	\$0	\$0	\$0	\$0	\$0	\$0
				\$0	\$0	\$0
Benefits				\$0	\$0	\$0
Operating				\$0	\$0	\$0
Travel				\$0	\$0	\$0
Capital Outlay				\$0	\$0	\$0
Aid				\$0	\$0	\$0
Capital Improvements				\$0	\$0	\$0
TOTALS				\$0	\$0	\$0