

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(608,775)		(608,775)	
CASH FUNDS		(See Below)		(See Below)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(608,775)	(See Below)	(608,775)	(See Below)

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

LB 753 would change the tuition “credit” program available to members of the National Guard to a tuition “waiver” program.

Under the current 75% tuition credit program a General Fund appropriation is provided to the Military Department who in turn uses this appropriation to reimburse the various schools for the tuition credits granted to guard members. Under LB 753, instead of billing the Military Department for the tuition credits granted, the schools would waive 75% of the guard member’s tuition. This tuition revenue loss would be borne by the school as LB 753 does not have a mechanism to reimburse the school for this lost tuition revenue.

With the elimination of the tuition credit program the General Fund appropriation to the Military would be eliminated saving an estimated \$608,775 each year. This is the current fiscal year (FY17-18) and also the FY18-19 appropriation for the tuition credit program. If the tuition waivers granted to guard members match the amount of money that would have been available for tuition credits the schools will lose a combined \$608,775 of tuition revenue.

To give an idea of the potential tuition revenue loss to each school the actual amount of tuition credit reimbursement to each school was as follows in FY16-17:

UNL	\$227,107
UNO	99,569
UNK	46,428
Peru	2,160
Wayne	28,200
Chadron	14,040
SECC-Lincoln	21,263
SECC-Milford	16,820
Metro CC	10,575
Northeast-Norfolk	7,627
CCC-Hastings	1,953
Mid-Plains	441
Bellevue	24,264
Concordia	9,714
Creighton	507
Midland	11,995
NE Met. Coll. Nursing	8,616

Nebraska Wesleyan	16,220
Union College	2,027
Doane-Lincoln	1,965
BryanLGH Nursing	2,027
Little Priest Tribal Coll.	1,215
TOTAL FY16-17	\$554,734

Based on the actual FY16-17 tuition credit reimbursement to each school the lost revenue from tuition waivers may be less than the \$608,775 of money appropriated for the current credit program. However, since tuition fees will likely trend upward and the number of classes taken by guard members can fluctuate the tuition revenue loss may increase in future years.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 753 REVISED	AM:	AGENCY/POLT. SUB: Nebraska Community College Association	
REVIEWED BY: Gary Bush	DATE:	01/31/18	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with estimate. It is reasonable to believe that the cost listed would continue in FY2019-20 and beyond.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 753	AM:	AGENCY/POLT. SUB: Metropolitan Community College	
REVIEWED BY: Gary Bush	DATE:	01/19/18	PHONE: (402) 471-4161
COMMENTS: Agree with the impact estimated by Metropolitan Community College.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 753	AM:	AGENCY/POLT. SUB: Nebraska Military Department	
REVIEWED BY: Gary Bush	DATE:	01/17/18	PHONE: (402) 471-4161
COMMENTS: Agree with the estimate of savings provided by the Military Department.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 753	AM:	AGENCY/POLT. SUB: Nebraska State College System	
REVIEWED BY: Gary Bush	DATE:	01/19/18	PHONE: (402) 471-4161
COMMENTS: Agree with the impact estimated by the State Colleges.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 753	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Gary Bush	DATE:	01/17/18	PHONE: (402) 471-4161
COMMENTS: Disagree with fiscal impact identified by the University of Nebraska. The University would realize a reduction in revenue, not an increase in expenses. No basis to disagree with the estimate of the number of students impacted.			

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

2018

LB⁽¹⁾ 753

FISCAL NOTE

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

Prepared by: ⁽³⁾ Greg Adams Date Prepared: ⁽⁴⁾ 1/17/2018 Phone: ⁽⁵⁾ 402-471-4685

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	_____	<u>(\$181,892.26)</u>	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>(\$181,892.26)</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

The above calculation is based on the total number of National Guard students currently enrolled in the five community colleges that are members of the Nebraska Community College Association. The total number of enrolled students was multiplied by 30 credit hours, multiplied by the resident tuition and fees of the college in which they are enrolled. Total tuition and fees were then multiplied by 75% to find the estimated annual revenue loss to the colleges. It is difficult to find an accurate cost because National Guard/Reserve member students have federal tuition programs that they may select instead of the state assistance program.

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⁽¹⁾ 753

FISCAL NOTE

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

Prepared by: ⁽³⁾ David Koebel Date Prepared: ⁽⁴⁾ 1/12/2018 Phone: ⁽⁵⁾ 531-622-2391

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	_____	<u>(11,000)</u>	_____	<u>(11,000)</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>(11,000)</u>	<u>_____</u>	<u>(11,000)</u>

Explanation of Estimate:

Based on the current tuition billed for the 18 National Guard students with 75% reduction.

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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2018

LB⁽¹⁾ 753

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Agency 31 – Nebraska Military Department

Prepared by: ⁽³⁾ Ms. Shawn D. Fitzgerald Date Prepared: ⁽⁴⁾ 10-Jan-2018 Phone: ⁽⁵⁾ 402-309-8120

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	<u>-\$608,775</u>	<u>N/A</u>	<u>-\$608,775</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>-\$608,775</u>	<u>N/A</u>	<u>-\$608,775</u>	<u>N/A</u>

Explanation of Estimate:

Implementation of LB753 would remove the need for the State Tuition Assistance Program appropriation from the Nebraska Military Department.

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.....			<u>N/A</u>	<u>N/A</u>
Operating.....			<u>N/A</u>	<u>N/A</u>
Travel.....			<u>N/A</u>	<u>N/A</u>
Capital outlay.....			<u>N/A</u>	<u>N/A</u>
Aid.....			<u>-\$608,775</u>	<u>-\$608,775</u>
Capital improvements.....			<u>N/A</u>	<u>N/A</u>
TOTAL.....			<u>-\$608,775</u>	<u>-\$608,775</u>

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

2018

LB⁽¹⁾ 753

FISCAL NOTE

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

Prepared by: ⁽³⁾ Carolyn Murphy Date Prepared: ⁽⁴⁾ 01/11/2018 Phone: ⁽⁵⁾ 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	_____	(75,000)	_____	(75,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(75,000)	=====	(75,000)

Explanation of Estimate:

LB753 appears to shift the cost of Nebraska National Guard Waivers from the National Guard's budget to the NSCS's budget and requires the NSCS to waive 75% of resident tuition charges for qualified individuals. The NSCS received approximately \$60,000 in FY 2017-18. It appears that FY 2016-17 numbers were higher than that amount. Therefore, we are including an estimated impact of \$75,000. LB753 would shift this amount to the NSCS as a loss of revenue, resulting in required reductions in expenditures for the NSCS without General Fund replacement of the lost revenue.

LB753 provides upper thresholds on the amount of waivers granted. There is also a limit in the bill on the number of waivers, as well as other requirements. It is unclear in the bill how the tracking would be handled across higher education institutions to monitor these limits, or how the limits would be divided among the institutions. In addition, the bill requires a tracking of satisfactory performance to qualify for the waiver. It does not appear possible to calculate the cost of administering the program, but the administrative overhead would add to the Colleges' workloads.

Finally, the bill notes that if a member of the NE National Guard does not complete three years with the Guard after completion of courses, any tuition waiver would be reimbursed by the member to the State of Nebraska (as opposed to the institutions who provided them).

All of these items combine to make it very difficult to determine the full fiscal impact of the bill; however, the NSCS has included, at a minimum, amounts that can be identified as related to the cost shift from the Nebraska National Guard.

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.....
TOTAL.....

_____	_____
_____	_____
_____	_____
_____	_____

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

2018

LB⁽¹⁾ 753

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 10, 2018 Phone: ⁽⁵⁾ 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	450,000*		450,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>450,000</u>		<u>450,000</u>	

Explanation of Estimate:

Currently, State law requires the NE National Guard to provide seventy-five percent tuition assistance by reimbursing the University for eligible members. The language in LB 753 changes the Nebraska National Guard tuition assistance program to a waiver (no tuition charged) program for seventy-five percent of the resident tuition charges at the University for eligible members. This will result in a necessary increase in aid for the University of \$450,000.

*The 450,000 is currently being received by the University and is necessary to keep it whole with the change.

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.....			450,000	450,000
Capital improvements.....				
TOTAL.....			<u>450,000</u>	<u>450,000</u>