

Updated to reflect AM3507 adoption.

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	134,185		268,369	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	134,185		268,369	

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

As amended, LB 450 changes provisions of the State Tuition Assistance Program that is available to National Guard Members and provides for an operative date of January 1, 2021. These changes include:

1. Increasing the tuition reimbursement 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 defining that the Tuition Program is available to guard members who are pursuing a diploma, certificate, associate degree, and baccalaureate degree.
5. Changing the requirement that credit-bearing courses meet “degree” requirements to said courses meeting “program” requirements to coincide with changes under bullet number four.
6. Expanding 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 and accounting for an operative date of January 1, 2021 for FY21 by dividing the total by two (2). 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

Note: An updated agency fiscal note was not provided. However, through conversation with the agency it was communicated the agency cost estimates for a full fiscal year remain the same as those listed on the previously provided fiscal note that is published with revision number one (1).