

To incorporate new information received from an impacted agency.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$192,600		\$195,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$192,600		\$195,000	

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

This fiscal note adds the fiscal impact as communicated by the University of Nebraska (NU). The response from NU explains in detail where the provisions of LB 378 differ from existing federal reporting requirements under Section 117 of the Higher Education Act:

- Lower reporting threshold and frequency. LB 378 requires quarterly reporting on funds exceeding \$50. Section 117 requires semi-annual reporting on a threshold of \$250,000.
- Expanded scope: LB378 includes wages, pledges, and indirect funding sources.
- Burden of due diligence: NU asserts that identifying foreign sources under LB 378 would require additional staff time and resources across multiple university departments, including procurement, financial aid, international programs, accounts receivable, and sponsored programs.
- Public disclosure & legal concerns: NU explains that the bill's reporting requirements raise concerns about confidentiality and compliance with Nebraska public records laws, potentially impacting negotiations and contract confidentiality.

NU also asserts that LB 378, if passed, would require additional staffing, legal oversight, and data management systems to track, verify, and report transactions at a higher frequency. Their fiscal note response details the salary, benefits, and operating expenses associated with the hiring of three (3) analysts to support the provisions of LB 378.

The Fiscal Office has no basis to disagree with the above assertions.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 378	AM:	AGENCY/POLT. SUB: Nebraska State College System	
REVIEWED BY: Kimberly Burns		DATE: 01/25/2025	PHONE: (402) 471-4171
COMMENTS: Agree with the Nebraska State College System’s assessment of no fiscal impact from LB 378.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 378	AM:	AGENCY/POLT. SUB: University of Nebraska System	
REVIEWED BY:	Kimberly Burns	DATE: 01/30/2025	PHONE: (402) 471-4171
COMMENTS: No basis to disagree with the University of Nebraska System's estimate of fiscal impact from LB 378.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 378	AM:	AGENCY/POLT. SUB: Nebraska Community College Association	
REVIEWED BY: Kimberly Burns		DATE: 01/23/2025	PHONE: (402) 471-4171
COMMENTS: The Nebraska Community College Association's estimate of no fiscal impact from LB 378 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 378 AM: AGENCY/POLT. SUB: Metropolitan Community College
REVIEWED BY: Kimberly Burns DATE: 01/24/2025 PHONE: (402) 471-4171
COMMENTS: The Metropolitan Community College's estimate of no fiscal impact from LB 378 appears reasonable.

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

Prepared by: ⁽³⁾ Courtney Wittstruck

Date Prepared: ⁽⁴⁾ Jan. 23, 2025

Phone: ⁽⁵⁾ 402-381-2084

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

LB ⁽¹⁾ 0378 Require each public or private two-year or four-year college or university provide a report to the Attorney General relating to certain funding from a foreign source FISCAL NOTE

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System
Prepared by:⁽³⁾ Anne Barnes Date Prepared:⁽⁴⁾ 01/30/2025 Phone:⁽⁵⁾ (402) 559-6300

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025 - 26		FY 2026 - 27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	<u>192,600.00</u>	<u>0.00</u>	<u>195,600.00</u>	<u>0.00</u>
CASH FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
OTHER FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>192,600.00</u>	<u>0.00</u>	<u>195,600.00</u>	<u>0.00</u>

Explanation of Estimate:

LB378 would require the University of Nebraska to report the receipt of certain funding from foreign sources, including gifts, contracts, wages, and pledges exceeding \$50. This bill is broader in scope and more administratively burdensome than existing federal reporting requirements under Section 117 of the Higher Education Act.

- Key differences between LB378 and Section 117 include:
- Lower Reporting Threshold & Frequency: LB378 mandates quarterly reporting on funds exceeding \$50, compared to Section 117's \$250,000 threshold with semi-annual reporting. This significant reduction in the threshold would vastly increase the volume of reportable transactions.
 - Expanded Scope: Unlike Section 117, LB378 includes wages, pledges, and indirect funding sources, creating ambiguity in compliance and significantly increasing administrative workload.
 - Burden of Due Diligence: Identifying foreign sources under LB378 would require additional staff time and resources across multiple university departments, including procurement, financial aid, international programs, accounts receivable, and sponsored programs. The University may also be restricted in verifying foreign sources due to Nebraska's Personal Privacy Protection Act.
 - Public Disclosure & Legal Concerns: The bill's reporting requirements raise concerns about confidentiality and compliance with Nebraska public records laws, potentially impacting negotiations and contract confidentiality.

Financial and Administrative Impact

Compliance with LB378 would impose significant costs on the University, requiring additional staffing, legal oversight, and data management systems to track, verify, and report transactions at a much higher frequency. Noncompliance carries a \$10,000 penalty per violation and potential forfeiture of reportable funds, increasing financial risk.

While transparency in foreign funding is a valid policy objective, LB378's broad provisions impose disproportionate burdens on the University, exceeding federal requirements and creating significant administrative and financial challenges.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025 - 26	2026 - 27
	25 - 26	26 - 27	EXPENDITURES	EXPENDITURES
Analyst	<u>3</u>	<u>3</u>	<u>119,400.00</u>	<u>121,100.00</u>
	<u>0</u>	<u>0</u>	<u>12,600.00</u>	<u>13,000.00</u>
Benefits.....			<u>60,600.00</u>	<u>61,500.00</u>
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>192,600.00</u>	<u>195,600.00</u>

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

Prepared by: ⁽³⁾ Brenda Schumacher

Date Prepared: ⁽⁴⁾ 1/23/2025

Phone: ⁽⁵⁾ (531)622-2406

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0	0	0	0
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	0	0	0	0
TOTAL FUNDS	0	0	0	0

Explanation of Estimate

Metropolitan Community College does not have any contracts with any foreign sources for the acquisition by purchase, lease, or barter of property or services so this bill would have no financial impact to us.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

Prepared by: ⁽³⁾ Brenda Owen

Date Prepared: ⁽⁴⁾ 1-21-2025

Phone: ⁽⁵⁾ 471-2507

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

No fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				