

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	\$35,900	(\$2,441,000)		(\$5,209,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$35,900	(\$2,441,000)		(\$5,209,000)

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

LB 681 changes provisions related to the Nebraska Educational Savings Plan.

Section 6 allows for benefits to be paid for a qualified individual for costs associated with elementary, secondary, or eligible postsecondary educational institutions. Prior to this change, benefits were only available for higher education expenses.

The Department of Revenue estimates a cost of \$35,900 to hire a part-time Tax Specialist to publish guidance, answer questions, and administer the changes brought in LB 681. This is a cost only associated with fiscal year 2022 and appears to be reasonable.

The Department of Revenue also estimates the programmatic changes in LB 681 will result in greater participation in the plan. Due to the deductibility of contributions, the estimated General Fund revenue loss is (\$2,441,000) for the six months of fiscal year 2022 that are covered and (\$5,209,000) for fiscal year 2023. As program awareness increases, so too will the potential for General Fund revenue loss due to deductions. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	681	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY:	Gary Bush	DATE:	3/2/21 PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the agency's estimate of the impact of the bill. The assumptions used appears to be reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	681	AM:	AGENCY/POLT. SUB: State Treasurer
REVIEWED BY:	Gary Bush	DATE:	2/3/21 PHONE: (402) 471-4161
COMMENTS: Agree with the agency's estimate of no fiscal impact to the agency.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	681	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services
REVIEWED BY:	Gary Bush	DATE:	2/26/21 PHONE: (402) 471-4161
COMMENTS: Agree with the agency estimate of no fiscal impact to the agency.			

LB 681 renames several funds to replace College with Education and contains other harmonizing provisions. LB 681 repeals the statutory numbers of Neb. Rev. Stat. §§ 85-1801 to 85-1817, replacing these statutes with the LB 681 amendments. This recodifies this Act consistent with broadening its reach beyond higher education. LB 681 eliminates a provision related to a transfer between funds, on or before September 1, 2020, for use in defraying the costs of implementing Laws 2020, LB 1042.

LB 681 becomes operative on January 1, 2022.

DOR assumes the participation rate would increase immediately as awareness of the expanded use of this tax program grows. In tax year 2023, the Department assumes a participation rate of approximately 50% of those eligible for the program and each would contribute approximate \$4,100 annually. The estimated total reduction to the General Fund would be as follows:

FY21-22	\$	(2,441,000)
FY22-23	\$	(5,209,000)
FY23-24	\$	(8,086,000)
FY24-25	\$	(8,248,000)

DOR will need 0.5 FTE of a Tax Specialist for FY21-22 only to publish guidance, answer questions, and administer the change.

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

2021

LB⁽¹⁾ 681

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ January 27, 2021 Phone: ⁽⁵⁾ 402-471-2793

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	=====	=====	=====	=====

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 681 to the office.

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.....	_____	_____	_____	_____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 2-8-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

There is no fiscal impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2021-2022 EXPENDITURES	2022-2023 EXPENDITURES
		21-22	22-23		
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0