

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	\$98,687			(\$46,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		\$1,000,000	\$1,000,000	\$1,333,000
TOTAL FUNDS	\$98,687	\$1,000,000	\$1,000,000	\$1,287,000

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

LB 391 establishes the Give to Enable Scholarship Act.

The bill establishes a Trust Fund to be known as the Give to Enable Scholarship Fund. The Fund shall be administered by the State Treasurer. The State Treasurer shall accept contributions from any private individual or private entity and shall credit all such contributions received to the Give to Enable Scholarship Fund for the purpose of providing an ongoing source of funding for the program. No General Funds shall be transferred to the Give to Enable Scholarship Fund. Any money in the Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

The bill creates the Give to Enable Scholarship Program. The program shall begin on January 1, 2026, and shall be implemented and administered by the State Treasurer. The purpose of the program is stated in the bill to promote access to accounts by establishing accounts using distributions from the Give to Enable Scholarship Fund. Such accounts may then be used to pay the qualified disability expenses of qualified individuals.

Beginning January 1, 2026, any qualified individual shall be eligible to participate in the Give to Enable Scholarship program. In order to participate in the program, a qualified individual shall submit an application for an account to the State Treasurer on forms prescribed by the State Treasurer. The State Treasurer shall accept applications from January 1 to June 1 of each year beginning in 2026. The State Treasurer may approve as many applications as funding for the program allows for each calendar year. Accounts shall be established on or before April 1 of the year following the year the application is approved and shall be funded with no less than the minimum amount required to open an account or such greater amount as determined by the State Treasurer in his or her sole discretion.

The State Treasurer may adopt and promulgate rules and regulations to carry out the Act.

The bill adds that federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be reduced by any contributions to the Give to Enable Scholarship Fund.

The Department of Revenue (DOR) estimates General Fund revenue losses and the State Treasurer estimates contributions into the Trust Fund created under this Act and corresponding expenditures for those Trust Funds. We disagree with these estimates except for the timing of the revenues and expenditures by the State Treasurer.

We estimate fewer contributions than the DOR and estimate the following General Fund revenue loss as a result of the bill:

- FY26: \$0
- FY27: (\$46,000)
- FY28: (\$53,000)
- FY29: (\$67,000)

Thus, we estimate contributions into the Trust Fund of \$1 million in FY26 and expended in FY27 and revenue into the Trust Fund of \$1,333,000 in FY27.

The DOR also estimates a one-time programming charge of \$98,687 to be paid to the Office of the Chief Information Officer (OCIO) as a result of the bill.

The Nebraska Investment Council estimates a need for 1/8 FTE Senior Portfolio Manager as a result of the bill. We estimate that the duties required for the Nebraska Investment Council from this bill can be absorbed with current resources.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 391	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Kimberly Burns	DATE: 01/28/2025	PHONE: (402) 471-4171
COMMENTS: The Department of Revenue's estimate of fiscal impact from LB 391 appears reasonable, given the assumptions used.		

LB 391 will require a one-time programming charge of \$98,687 paid to the OCIO for mainframe application development, reconfiguring IIT Schedule and adding lines to NebFile for Individuals.

The operative date of this bill is January 1, 2026.

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

2025

LB⁽¹⁾ 391

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ January 27, 2025 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	7,000	7,000	7,000
TOTAL FUNDS	=====	7,000	7,000	7,000

Explanation of Estimate:

LB 391 would create a trust fund named the Give to Enable Scholarship Fund and effective January 1, 2026 the Give to Enable Scholarship Program shall begin. The Fund and Program will be implemented and administered by the State Treasurer.

Qualified individuals may apply to the State Treasurer, on a form prescribed by the State Treasurer, from January 1 to June 1 of each year, beginning in 2026. An approved application shall have an account established, on or before April 1 of the year following the year the application is approved and shall be funded by the State Treasurer.

The work to administer this program will be absorbed by existing Treasurer’s Office staff. There won’t be a need to add any FTE or to increase operational expenses. The Treasurer’s Office estimates receiving \$7,000 in contributions during FY 2025-26 and FY 2026-27.

In FY 2025-26, the Treasurer’s Office will accept applications through June 1, 2026. Applications received and approved during this time will have an account established on or before April 1, 2027. Distributions to these accounts will not take place in FY 2025-26, but rather in FY 2026-27. The amount distributed on or before April 1, 2027 will be equal to the amount of contributions received as of June 1, 2026.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26 EXPENDITURES</u>	<u>2026-27 EXPENDITURES</u>
	<u>25-26</u>	<u>26-27</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====

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

2025

LB⁽¹⁾ 391

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Investment Council

Prepared by: ⁽³⁾ Ellen Hung, SIO Date Prepared: ⁽⁴⁾ 1-28-2025 Phone: ⁽⁵⁾ 402-471-2001

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	32,310	_____	33,925	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>32,310</u>	_____	<u>33,925</u>	_____

Explanation of Estimate:

The Nebraska Investment Council (Council) is responsible for approving the investment options of Enable accounts offered to participants in the Plan. LB391 creates the Give to Enable Scholarship Act which establishes both a scholarship program and fund and includes tax deductions for individuals and entities who contribute to this scholarship fund. The Council would have to do the following for the new scholarship fund:

1. Approve an appropriate asset allocation for the fund.
2. Determine account structure based on the approved asset allocation.
3. Monitor contributions & fulfill distribution requests as received.
4. Produce quarterly reports on performance.
5. Calculate quarterly income distributions for the fund as needed.

This would require additional staff (1/8 of a senior portfolio manager) for the added responsibilities.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Senior Portfolio Manager	1/8	1/8	28,000	29,400
Benefits.....	_____	_____	4,310	4,525
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>32,310</u>	<u>33,925</u>