

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		(\$3,107,000)		(\$3,698,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$3,107,000)		(\$3,698,000)

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

LB 131 provides that for the Nebraska education savings plans qualified higher education expenses are changed in name to qualified education expenses. The bill changes the definition of the mentioned term to include expenses for tuition in connection with enrollment or attendance at an elementary or secondary school with a limit of \$10,000 per beneficiary per taxable year.

The bill replaces the word College with Education for the College Savings Plan Program Fund, the College Savings Plan Expense Fund, and the College Savings Plan Administrative Fund.

The bill provides that all money in the Department of Revenue (DOR) Miscellaneous Receipts Fund would only be used to defray the cost of production of the publications listed in section 77-3,109 or of the listings described in section 77-3,118 and to carry out any administrative responsibilities of the DOR.

LB 131 becomes operative on January 1, 2026.

The DOR estimates the following decrease to General Fund revenues from this bill:

- FY26: (\$3,107,000)
- FY27: (\$3,698,000)
- FY28: (\$4,134,000)

The DOR estimates minimal cost to it as a result of this bill.

There is no basis to disagree with these estimates by the DOR.

The Nebraska Investment Council (NIC) estimates the need for 1/8 Senior Portfolio Manager as a result of this bill. The added responsibilities for the NIC as a result of this bill can be accomplished with the NIC's current resources.

The State Treasurer's Office and Nebraska Department of Education estimate no fiscal impact to them as a result of the bill. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 131	AM:	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY: Kimberly Burns	DATE: 01/17/2025	PHONE: (402) 471-4171	
COMMENTS: The State Treasurer's estimate of no fiscal impact from LB 131 appears reasonable.			

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

2025

LB⁽¹⁾ 131

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept. of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/15/25 Phone: ⁽⁵⁾ 402-471-4320

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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 131 changes Nebraska's 529 college savings plans to an education savings plan that allows elementary and secondary tuition to be paid through the State's existing 529 college education savings plan in addition to the previously allowable uses. No fiscal impact to NDE.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2025

LB⁽¹⁾ 131

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ January 16, 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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 131 to the office.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2025

LB⁽¹⁾ 131

FISCAL NOTE

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

Prepared by: ⁽³⁾ Ellen Hung, SIO Date Prepared: ⁽⁴⁾ 1-20-2025 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	=====	=====	=====	=====

Explanation of Estimate:

The State Investment Officer (SIO) has the fiduciary responsibility to make all decisions regarding the investment of the money in the Nebraska Educational Savings Plan Trust including the selection of all investment options. With the changes proposed in LB 131, the SIO and Nebraska Investment Council (NIC) staff will need to complete a full review of the current investment line-ups in all 529 Plans which will be affected by the expansion of the program. The investment time horizon will be shorter for those account owners and beneficiaries who are investing and making qualified withdrawals for elementary or secondary expenses versus post-secondary expenses. Therefore, the Council will need to make sure that there are appropriate investment options for the various investment goals and risk tolerances. There will also be on-going annual reviews of the investment options to ensure the appropriateness within the investment line-up.

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.....			32,310	33,925