

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	106,400	0	0	0	106,400
FY2027-2028	109,592	0	0	0	109,592
FY2028-2029	109,592	0	0	0	109,592
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

LB 1164 establishes a framework for prior learning examinations, and sets the lowest scores needed by students taking these exams to be awarded college credit.

Sec. 1 of LB 1164 establishes the Prior Learning Act for Nebraska's public institutions of higher education.

Sec. 2 provides key definitions, including that of "cut score", which refers to the lowest score required on an approved prior learning exam to be awarded credit for a course.

Sec. 3 provides that the Coordinating Commission for Postsecondary Education (Commission) approve a list of prior learning exams and their lowest scores required on those exams to be awarded college credit. Prior learning exam types are defined, and guidelines for cut (minimum) scores are stated. Prior Learning program data are to be posted on the Commission's website.

Sec. 4 provides the deadline (Oct. 1, 2026) and framework for each Nebraska public postsecondary institution to develop written policies and procedures for awarding academic credit based on prior learning examinations. It also allows for the postsecondary institution to require a higher cut score than the Commission requires, with approval from the Commission (justifying documentation is required).

Sec. 5 provides that each Nebraska postsecondary institution shall provide a report to the Commission by December 31, 2026, and each year thereafter, detailing (a) the number of students awarded academic credit based on prior learning exams, (b) the total number of academic credits awarded based on these exams, (c) how the credits were applied among various course types, and (d) any other information the Commission deems necessary to assess the implementation and impact of this act. The Commission would be required to compile and send reports to the Education Committee of the Legislature.

Sec. 6 provides that the Commission may promulgate rules and regulations to carry out this act.

The Commission reports no fiscal impact. Nebraska's community colleges report no immediate fiscal impact, though they foresee a potential indeterminate fiscal impact in the future.

The Nebraska State College System also reports no immediate fiscal impact, as its existing institutional policies and practices are largely already aligned with the framework outlined in this legislation. In its response, the state college system notes that LB 1164 would require ongoing coordination with the Commission and completion of an annual reporting requirement, the cost of which would be absorbed with existing resources. However, should there be future expansion of reporting requirements, data integration expectations, or mandated system changes, additional administrative or technology-related costs could be incurred.

In its fiscal note response, the University of Nebraska system (University) acknowledges that it already publishes detailed tables mapping prior learning examination scores to college course credit for students and families. They explain that the new and ongoing reporting requirements would require them to conduct expanded data analyses. These analyses would compare academic performance and progression outcomes for students who earn credit through prior learning examinations with those who complete coursework on University campuses. They also foresee a need for future analysis to determine whether Commission-established minimum credit standards are sufficient to support subsequent student achievement, particularly if required cut-off scores differ from the University's existing scoring thresholds. The University asserts that at this time, meeting these statutory reporting and analytical obligations would require one (1) additional analyst position.

Given the recent staffing and budget cuts currently being implemented across University campuses to address structural budget deficits, we assume that absorbing these expanded tasks with existing staff may not be feasible, and that additional staff could be required to fulfill the increased workload. Presumably, the nature of these tasks precludes them from being accomplished through the hiring of temporary or part-time workers. As such, there is no basis to disagree with NU's assertion of needing 1.0 new FTE.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1164	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education	
REVIEWED BY: Kimberly Burns		DATE: 01/27/2026	PHONE: (402) 471-4171
COMMENTS: Concur with the Coordinating Commission for Postsecondary Education's estimate of no fiscal impact from LB 1164.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1164	AM:	AGENCY/POLT. SUB: Nebraska State College System	
REVIEWED BY: Kimberly Burns		DATE: 01/27/2026	PHONE: (402) 471-4171
COMMENTS: The Nebraska State College System's assessment of no immediate fiscal impact and confirmation that any new requirements from LB 1164 could be absorbed within existing resources appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1164	AM:	AGENCY/POLT. SUB: University of Nebraska System	
REVIEWED BY: Kimberly Burns		DATE: 01/29/2026	PHONE: (402) 471-4171
COMMENTS: The University of Nebraska System's assessment of fiscal impact resulting from LB 1164 appears overstated. <u>Technical Note:</u> LB 1164 does not explicitly require postsecondary institutions to "compare academic performance and progression outcomes" for students who earn credit through the prior learning exams with those who complete equivalent coursework on campus.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1164	AM:	AGENCY/POLT. SUB: Metropolitan Community College	
REVIEWED BY: Kimberly Burns		DATE: 01/27/2026	PHONE: (402) 471-4171
COMMENTS: Concur with Metropolitan Community College's estimate of no fiscal impact from LB 1164.			

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

2026

LB⁽¹⁾ 1164

FISCAL NOTE

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

Prepared by: ⁽³⁾ Brian DeNio Date Prepared: ⁽⁴⁾ 1/23/26 Phone: ⁽⁵⁾ (531)622-2515

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	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		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
...				
Operating.....				
....				
Travel.....				
.				
Capital outlay.....				
Aid.....				
.				
Capital improvements.....				
TOTAL.....				

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

2026

LB⁽¹⁾ 1164

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Coordinating Commission for Postsecondary Education

Prepared by: ⁽³⁾ Gary Timm Date Prepared: ⁽⁴⁾ 1/23/2026 Phone: ⁽⁵⁾ 402.471.0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION				
	FY 2026-27		FY 2027-28	
	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		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
...				
Operating.....				
....				
Travel.....				
.				
Capital				
outlay.....				
Aid.....				
.				
Capital				
improvements.....				
TOTAL.....				

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

2026

LB⁽¹⁾ 1164

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska State College System

Prepared by: ⁽³⁾ Brenda Owen

Date Prepared: 1.27.2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

The State Colleges currently comply with many of the key provisions contained in the bill, including the use of American Council on Education (ACE) credit recommendations and the acceptance and transcription of qualifying examination and prior learning credits at no cost to students. As a result, implementation of LB1164 would not result in a direct fiscal impact or require additional state general fund appropriations. Existing institutional policies and practices are largely aligned with the framework outlined in the legislation.

The bill would, however, require ongoing coordination with the Nebraska Coordinating Commission for Postsecondary Education and completion of an annual reporting requirement. These responsibilities would be managed by existing personnel and absorbed within current resources. At this time, no immediate fiscal impact is anticipated. Any future expansion of reporting requirements, data integration expectations, or mandated system changes could result in additional administrative or technology-related costs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
...				
Operating.....				
....				
Travel.....				
.				
Capital				
outlay.....				
Aid.....				
.				
Capital				
improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System
Prepared by:⁽³⁾ Anne Barnes Date Prepared:⁽⁴⁾ 01/28/2026 Phone:⁽⁵⁾ (402) 472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026 - 27		FY 2027 - 28	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>106,400.00</u>	<u>0.00</u>	<u>109,592.00</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>106,400.00</u>	<u>0.00</u>	<u>109,592.00</u>	<u>0.00</u>

Explanation of Estimate:

LB 1164 would require the University of Nebraska to develop and implement formal written policies and procedures for awarding academic credit based on prior learning examinations. The bill also requires approval of these policies and procedures by the Coordinating Commission for Postsecondary Education (CCPE) and the submission of annual reports.

The University of Nebraska already publishes detailed tables mapping prior learning examination scores to college course credit for students and families. However, LB 1164 would create new and ongoing reporting and analytical requirements. To comply with these requirements, the University would incur additional costs associated with producing annual reports for CCPE and conducting expanded data analysis. This analysis would compare academic performance and progression outcomes for students who earn credit through prior learning examinations with those who complete coursework on University of Nebraska campuses. At this time, we estimate that meeting these statutory reporting and analytical obligations would necessitate one additional data analyst position.

Further analysis would be required to assess whether CCPE-established minimum credit standards are sufficient to support subsequent student achievement, particularly if required cut-off scores differ from the University's existing scoring thresholds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026 - 27	2027 - 28
	<u>26 - 27</u>	<u>27 - 28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>Data Analyst</u>	<u>1</u>	<u>0</u>	<u>80,000.00</u>	<u>82,400.00</u>
	<u>0</u>	<u>0</u>		
Benefits.....			<u>26,400.00</u>	<u>27,192.00</u>
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>106,400.00</u>	<u>109,592.00</u>