

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	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	7,000,000	0	0	0	7,000,000
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 1117 would enact minor reforms to the First Responder Recruitment and Retention Act. In order to remain qualified for the program, a qualified waiver applicant would be required to maintain a 3.0 GPA and limits the total number of credit hours for a waiver to 120 hours. LB 1117 would also require dependents of veterans to exhaust all benefits provided under the US Department of Veterans Affairs Survivors' and Dependents' Educational Assistance program in order to qualify for the Nebraska Dependents of Veterans tuition waiver.

LB 1117 also allows for the University of Nebraska, State Colleges, and Community Colleges to be reimbursed for 50% of the waivers issued to dependents of veterans as defined in Sec. 80-411, and for first responders as defined in the First Responders Recruitment and Retention Act, Sec. 85-2612, should the Legislature appropriate funds for this purpose.

Starting July 1, 2028, the University of Nebraska, each state college, and the community colleges would request reimbursement by submitting documentation in a form and manner as prescribed by the Coordinating Commission for Postsecondary Education (Commission). Subject to available appropriations, the Commission would reimburse these institutions for 50% of the tuition waivers provided for first responders (Sec. 85-2612) and dependents of veterans (Sec. 85-411). If appropriations are insufficient to satisfy all the claims submitted for any given fiscal year, the reimbursements would be prorated so that the total of all reimbursements would be equal to the available appropriation.

The Nebraska Statewide Workforce & Educational Reporting System (NSWERS) published a report in December 2025 in response to LR 261 (2025). This report shows historical totals for all tuition waiver categories beginning FY2015-16 through FY2024-25. The Fiscal Office obtained additional detail from NSWERS to isolate the tuition waivers issued for veterans' dependents and first responders for the most recent five-year period:

Waiver	\$ Amounts	Actual	Actual	Actual	Actual	Actual	Projected
LB1117	categories*	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY29-30
80-411	Veterans' dependents	3,489,460	3,847,454	4,568,910	6,014,519	7,821,225	11,500,000
85-2609; 85-2612	First ** Responders	20,053	19,215	170,813	1,493,442	2,420,472	3,558,094
	TOTAL	3,509,513	3,866,669	4,739,723	7,507,961	10,241,697	15,058,094
	5-yr % chg					192%	47%

* Data does not include Central Community College, who elected not to participate.

** FY24 and FY25 contain a significant number of waiver recipients identified as legal dependents of first responders. The first responder categories are set to expand again effective 7/1/2028, pursuant to Sec. 85-2612, to include corrections officers and their dependents.

Using data available in the December 2025 NSWERS report, the approximate distribution among Nebraska's public higher education systems would be 9% to the community colleges, 18% to the state colleges, and 73% to the University of Nebraska system.

This chart shows the number of distinct waiver recipients in each category:

Distinct	Recipients	Actual	Actual	Actual	Actual	Actual
LB 1117	categories	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Sec. 80-411	Veterans' dependents	571	630	761	937	1,211
Sec. 85-2609; 85-2612	First Responders	26	40	172	450	577
	TOTAL	597	670	933	1,387	1,788
	5-year % chg					199%

Growth in the total amount of tuition waivers is attributed to the increased numbers of waiver applicants as awareness of waiver programs grows, combined with the increases in tuition rates that institutions have implemented to address rising costs. Without projecting future year-over-year growth in tuition waivers, the appropriation that would be required to reimburse 50% of the waivers in the above student groups would be at least \$5,000,000 based on FY25 waivers awarded. Assuming the growth NSWERS projected for veterans' dependents from FY25 to FY30, and projecting a similar rate for first responders, the requests for FY29 (the first eligible year for reimbursements) could exceed \$7,000,000.

Since LB 1117 allows for proration of reimbursements to eligible institutions based on available appropriations, any amounts not reimbursed will be absorbed by the institutions. The reimbursement limits that are added via LB 1117, such as with the requirement to maintain a 3.0 GPA, could work to manage the tuition waiver growth rate, but would not eliminate it.

Fiscal note responses from the public higher education systems reflect the expected waivers or impacts to their own systems.

It is anticipated that the Commission will request a General Fund appropriation to cover projected reimbursements during the next biennial budget process. That request may be impacted by the actual tuition waivers issued in FY26 for first responders, their dependents, and veterans' dependents.

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

LB: **1117** AM: AGENCY/POLT. SUB: **University of Nebraska System**

REVIEWED BY: Kimberly Burns DATE: 02/10/2026 PHONE: (402) 471-4171

COMMENTS: No basis to disagree with the University of Nebraska System's estimate of fiscal impact prior to the provisions of LB 1117 becoming effective in FY 2028-29.

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

LB: **1117** AM: AGENCY/POLT. SUB: **Metropolitan Community College**

REVIEWED BY: Kimberly Burns DATE: 01/29/2026 PHONE: (402) 471-4171

COMMENTS: Concur with the Metropolitan Community College's estimate of no fiscal impact from LB 1117 through FY 2027-28.

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

LB: **1117** AM: AGENCY/POLT. SUB: **Nebraska State College System**

REVIEWED BY: Kimberly Burns DATE: 01/23/2026 PHONE: (402) 471-4171

COMMENTS: Concur with the Nebraska State College System's estimate of no new fiscal impact from LB 1117 through FY 2027. The State College System's assessment of fiscal impact beginning in FY 2028-29 appears reasonable based on the assumptions applied.

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

LB: **1117** AM: AGENCY/POLT. SUB: **Coordinating Commission for Postsecondary Education**

REVIEWED BY: Kimberly Burns DATE: 01/22/2026 PHONE: (402) 471-4171

COMMENTS: Concur with the Coordinating Commission for Postsecondary Education's estimate of no fiscal impact from LB 1117 through FY 2027. The commission's assessment of fiscal impact beginning in FY 2028 appears reasonable.

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

2026

LB⁽¹⁾ 1117

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Metropolitan Community College

Prepared by: ⁽³⁾ Brian DeNio

Date Prepared: 1/22/26
⁽⁴⁾

Phone: ⁽⁵⁾ (531)622-2515

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</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:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2026

LB⁽¹⁾ 1117

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Coordinating Commission for Postsecondary Education

Prepared by: ⁽³⁾ Gary Timm

Date Prepared: ⁽⁴⁾

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	0		0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0		0	

Explanation of Estimate:

No fiscal impact through June 30, 2028, as the reimbursement begins July 1, 2028.

The commission estimates that a 0.1 FTE and associated operating expenses will be required beginning July 1, 2028, to perform on-site reviews of the college's waiver amounts and to allocate and disburse funds and would total \$11,000.

The LR261 (2025) study indicated public institutions waived \$7.5 million under the Dependents of Veterans program and \$2.4 million under the First Responder Recruitment and Retention Act during FY25.

LB1117 would reimburse each institution for 50% of the tuition waivers provided to students. The Commission estimates that the cost of this program beginning in FY28 would be, at a minimum, \$5 million.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

TOTAL.....

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

2026

LB⁽¹⁾ 1117

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska State College System

Prepared by: ⁽³⁾ Brenda Owen

Date Prepared: 1.21.2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-2505

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

Per LB 1117 Sec. 2. and Sec. 7., the reimbursement for First Responder Dependent waivers and Veteran Dependent waivers from the CCPE would not commence until July 1, 2028. Therefore, there is no fiscal impact in 2026-2027 and 2027-2028. However, assuming a similar number of students as 2024-25 and a 5% increase in tuition and fee rates each year, the Nebraska State Colleges would continue to lose approximately \$273,000 in revenue in 2026-27 and approximately \$287,0000 in revenue in 2027-28. However, beginning in 2028-2029, with projected tuition and fee increases, we would anticipate a positive fiscal impact to the State Colleges of approximately \$300,000.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2026

LB ⁽¹⁾ 1117 Change provisions relating to tuition waivers and provide for reimbursement to postsecondary institutions

FISCAL NOTE

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

Prepared by:⁽³⁾ Anne Barnes Date Prepared:⁽⁴⁾ 02/05/2026 Phone:⁽⁵⁾ (402) 472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

GENERAL FUNDS	FY 2026 - 27		FY 2027 - 28	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
	<u>11,020,591.86</u>	<u>0.00</u>	<u>18,119,402.05</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>11,020,591.86</u>	<u>0.00</u>	<u>18,119,402.05</u>	<u>0.00</u>

Explanation of Estimate:

LB 1117 modifies eligibility for statutorily mandated tuition waivers while authorizing reimbursement for 50% of expenditures under the First Responder Recruitment and Retention Act beginning July 1, 2028, subject to available appropriations. Because reimbursement is not guaranteed and may be prorated if appropriations are insufficient, no offsetting revenue is assumed for purposes of this fiscal estimate.

The University of Nebraska currently absorbs the full cost of these tuition waivers as foregone tuition revenue. In FY2024-25, the University provided approximately \$8.8 million in legislatively mandated tuition remissions, reflecting a 35.8 percent increase from the prior year. Historical University data and the NSWERS LR261 evaluation indicate sustained growth in waiver participation, particularly among dependents of veterans and first responders, with no evidence of near-term stabilization.

For fiscal note purposes, projected expenditures assume a 25 percent annual increase in waiver utilization, reflecting recent growth trends moderated from expansion-year spikes, and a 3 percent annual increase in tuition. Based on these assumptions, the estimated cost to the University is approximately \$11 million in FY 2026-27 and \$18 million in FY 2027-28.

The FY 2027-28 estimate also reflects the first-year impact of eligibility expansions for correctional officers, youth detention officers, and certain dependents taking effect in Fall 2027, consistent with prior fiscal modeling for LB 608.

Actual costs may vary depending on enrollment uptake, tuition rates, and future legislative appropriations.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026 - 27 <u>EXPENDITURES</u>	2027 - 28 <u>EXPENDITURES</u>
	<u>26 - 27</u>	<u>27 - 28</u>		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....			<u>11,020,591.86</u>	<u>18,119,402.05</u>
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>11,020,591.86</u>	<u>18,119,402.05</u>