

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	SEE BELOW	0	0	0	SEE BELOW
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
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 1262 introduces the Foreign Adversaries Out of Postsecondary Education Act to prohibit postsecondary education institutions in the state of Nebraska from receiving or soliciting, directly or indirectly, funding from a foreign adversary. The bill defines foreign adversary, all possible contributions, and creates penalties if violated. LB 1262 also requires that the Coordinating Commission for Postsecondary Education (Commission) administer a transparency database that would be maintained on its website.

The Nebraska State College System (NSCS) reports that it currently does not accept, solicit, or maintain any gifts, grants, contracts, funding arrangements, research sponsorships, partnerships, cultural exchange agreements, or other funding relationships (directly or indirectly) with any foreign adversary or foreign principal identified in LB 1262. Because NSCS has no existing relationships or activities that would be prohibited, they maintain that compliance with the provisions of LB 1262 can be achieved within current operational practices and administrative processes.

The Commission reports that the requirement to create and maintain a transparency database could result in a fiscal impact to the Commission. With an operative date of July 1, 2026, institutions would be required to begin submitting data as early as July 31, 2026. To allow for institutions to upload data in such a short time frame, the Commission would need to contract with the OCIO to develop a searchable database that would allow institutions to upload information. Based on a similar, current project they have with the OCIO, the Commission estimates \$30,000 (300 hours) would be required to complete the project.

The University of Nebraska (NU) reports that it currently manages foreign engagement risk through internal review policies and federal compliance processes. LB 1262 would require implementation of a statutory compliance framework that exceeds existing systems. NU further explains that current procurement and financial systems are not configured to perform the ownership screening, aggregation monitoring, and time-limited reporting required by the bill. Compliance would require additional personnel to conduct contract review and reporting, acquisition of specialized screening and due-diligence software, and system licensing and integration to support tracking and audit readiness. The reporting thresholds are expected to capture a substantial volume of routine operational contracts involving multinational vendors, requiring manual review and cross-campus coordination for final reporting. According to the University, this would require \$500,000 additional funds among various fund types. The General Fund portion, which is the only fund appropriated by the Legislature, amounts to \$125,000.

Metro Community College reports no fiscal impact to its campus resulting from LB 1262. A fiscal note response has not yet been received from the Nebraska Community College Association (NCCA).

The Fiscal Analyst concurs that additional resources may be required to implement the required reporting systems. If additional information is received, this fiscal note will be updated to reflect any changes to fiscal impact.

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

LB: **1262** AM: AGENCY/POLT. SUB: **Coordinating Commission for Postsecondary Education**

REVIEWED BY: Kimberly Burns DATE: 02/06/2026 PHONE: (402) 471-4171

COMMENTS: The Coordinating Commission for Postsecondary Education's estimate of one-time fiscal impact to accommodate provisions of LB 1262 appears reasonable.

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

LB: **1262** AM: AGENCY/POLT. SUB: **Nebraska State College System**

REVIEWED BY: Kimberly Burns DATE: 02/06/2026 PHONE: (402) 471-4171

COMMENTS: Concur with the Nebraska State College System's assessment of no fiscal impact from LB 1262.

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

LB: **1262** AM: AGENCY/POLT. SUB: **Metropolitan Community College**

REVIEWED BY: Kimberly Burns DATE: 02/03/2026 PHONE: (402) 471-4171

COMMENTS: Concur with the Metropolitan Community College's estimate of no fiscal impact from LB 1262.

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

2026

LB⁽¹⁾ 1262

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Metropolitan Community College

Prepared by: ⁽³⁾ Brian DeNio

Date Prepared: ⁽⁴⁾ 2/2/26

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⁾ 1262

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Coordinating Commission for Postsecondary Education

Prepared by: ⁽³⁾ Gary Timm

Date Prepared: 2/5/2026
⁽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	30,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	30,000			

Explanation of Estimate:

LB 1262 repeals Neb. Rev. Stat. § 85-906 (LB306 (2025)), which requires basic reporting of funding from foreign adversaries only. LB 1262 would expand the covered entities to include any foreign country that provides gifts or enters into contracts over \$10,000 and any foreign source that provides gifts over \$10,000. Report submission would continue to be required of two- and four-year, public- and private-postsecondary institutions, but LB 1262 would require reports to be submitted within one month of receiving a gift or entering into a contract as opposed to the current requirement of biannually.

LB 1262 further requires a transparency database administered by the commission. With an operative date of July 1, 2026, institutions would be required to begin submitting data, including gift agreements, as early as July 31, 2026. To allow for institutions to upload information not only by the operative date but within the one month requirement, the commission would contract with the OCIO to develop a searchable database that would allow institutions to upload information. Based on a current project with the OCIO, the commission estimates \$30,000 (300 hours) would be required to complete the project.

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.....			30,000	
Travel.....				
Capital outlay.....				
Aid.....				
Capital				

improvements.....
TOTAL.....

30,000

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

2026

LB⁽¹⁾ 1262

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska State College System

Prepared by: ⁽³⁾ Brenda Owen

Date Prepared: 2/5/2026
⁽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 do not accept, solicit, or maintain any gifts, grants, contracts, funding arrangements, research sponsorships, program agreements, partnerships, cultural exchange agreements, or other funding relationships (directly or indirectly) with any foreign adversary or foreign principal identified in the bill. In addition, the State Colleges do not host Confucius Institutes or equivalent entities, do not employ or host faculty, staff, students, or entities funded by the People’s Republic of China, Qatar, or affiliated organizations identified in the legislation, and do not permit student or scholar associations to coordinate activities with such entities.

Because the Nebraska State College System has no existing relationships or activities that would be prohibited, restricted, reported, forfeited, or terminated under the bill, compliance can be achieved within current operational practices and administrative processes. No additional staffing, reporting infrastructure, legal resources, or operational changes are anticipated as a result of the bill’s provisions. Accordingly, LB1262 is not expected to result in increased expenditures, reduced revenues, or other fiscal impacts for the Nebraska State College System.

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) 1262 Adopt the Foreign Adversaries Out of Postsecondary Education Act

FISCAL NOTE

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

Prepared by:⁽³⁾ Anne Barnes Date Prepared:⁽⁴⁾ 02/23/2026 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>125,000.00</u>	<u>0.00</u>	<u>125,000.00</u>	<u>0.00</u>
CASH FUNDS	<u>84,500.00</u>	<u>0.00</u>	<u>84,500.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>79,500.00</u>	<u>0.00</u>	<u>79,500.00</u>	<u>0.00</u>
OTHER FUNDS	<u>211,000.00</u>	<u>0.00</u>	<u>211,000.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>500,000.00</u>	<u>0.00</u>	<u>500,000.00</u>	<u>0.00</u>

Explanation of Estimate:

LB 1262 establishes statutory prohibitions and mandatory reporting requirements applicable to postsecondary institutions and affiliated organizations relating to foreign gifts, grants, contracts, funding, and certain affiliations. The bill requires reporting within one month of entering into qualifying contracts or receiving qualifying gifts, applies aggregation thresholds, and provides for civil penalties, audit review, and enforcement mechanisms.

The University of Nebraska currently manages foreign engagement risk through internal review policies and federal compliance processes. LB 1262 would require implementation of a statutory compliance framework that exceeds existing systems, including vendor ownership due-diligence, identification of foreign principals and entities acting directly or indirectly on behalf of designated foreign adversaries, aggregation tracking across decentralized departments and affiliated entities, and enhanced documentation and reporting controls.

Current procurement and financial systems are not configured to perform the ownership screening, aggregation monitoring, and time-limited reporting required by the bill. Compliance would require additional personnel to conduct contract review and reporting, acquisition of specialized screening and due-diligence software, and system licensing and integration to support tracking and audit readiness. The reporting thresholds are expected to capture a substantial volume of routine operational contracts involving multinational vendors, requiring manual review and cross-campus coordination.

The estimated fiscal impact reflects recurring costs associated with compliance staffing, screening tools, and system licensing necessary to implement and maintain the statutory requirements of LB 1262.

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>		
<u>Internal Compliance Specialist</u>	<u>1</u>	<u>1</u>		
<u>Records Coordinator</u>	<u>1</u>	<u>1</u>		
Benefits.....			<u>39,600.00</u>	<u>39,600.00</u>
Operating.....			<u>460,400.00</u>	<u>460,400.00</u>
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>500,000.00</u>	<u>500,000.00</u>