

PREPARED BY: Mike Lovelace
DATE PREPARED: January 20, 2009
PHONE: 471-0050

LB 17

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	Up to \$48,115		Up to \$48,115	
CASH FUNDS		(See below)		(See below)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	Up to \$48,115		Up to \$48,115	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

Under the provisions of LB 17, the University of Nebraska, the state colleges, and the community colleges shall waive all tuition for a veteran who is "(a) separated from military service as a result of combat-related injuries or (b) permanently and totally disabled as a result of military service". The Nebraska Department of Veterans' Affairs has final determination of the applicant's eligibility and certifies such eligibility to the educational institutions.

Tuition Revenue Loss:

The University of Nebraska has estimated a potential tuition revenue loss of \$75,000 annually. They point out that most disabled veterans already have free tuition under federal rehabilitation programs, but that some may use the state waiver for a second degree, or possibly opt to use state benefits in-lieu of the federal benefits available.

The other educational institutions could also have reduced tuition revenue as a result of waivers granted by LB 17. At the time this fiscal note was prepared estimates from these other schools had not been received. If other responses are received this fiscal note will be updated.

The loss of tuition revenue only occurs in those instances where the veteran was committed to going to school and was planning to pay the tuition costs themselves. If the veteran would not have attended school without the free tuition, the school would not have received any tuition revenue to lose. This makes determining a revenue loss difficult, since it is unknown how many individuals would have enrolled in school in the absence of the tuition waiver.

Nebraska Department of Veterans' Affairs Cost:

The Nebraska Department of Veterans' Affairs has estimated that approximately 3,250 veterans would be eligible for the tuition waiver. This number may be low since they have not included in this estimate the number of combat injured that may be eligible. Based on the 3,250 number, they have expressed a need for one additional employee to process the applications at a cost of \$48,115 GF. This estimate appears reasonable based on 3,250 applications. However, since the 3,250 represents veterans who are eligible, not veterans who will actually make application, this should be considered a maximum implementation cost. It is unknown how many eligible veterans will make an application; since it is unknown how many have a desire to further their education and whether they plan to use any available federal benefits instead of this tuition waiver.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	William Scheideler	DATE 1/21/09	PHONE 471-2526
COMMENTS			
UNIVERSITY OF NEBRASKA: Agency analysis appears reasonable.			