

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(\$1,000,000)		(\$1,000,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$1,000,000)		(\$1,000,000)

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

LB740 would make veterans who have been off active duty for 2 years or less, their spouses, and their dependents eligible for resident tuition rates at public colleges and universities in Nebraska. The veteran shall be considered a resident if he or she is registered to vote in Nebraska and demonstrates an intent to be a resident.

The impact is estimated as follows:

<b>Public College or University</b>	<b>Estimated Fiscal Impact</b>
Nebraska Community Association	Minimal impact
Metropolitan Community College	No fiscal impact
Coordinating Commission for Postsecondary Education	No fiscal impact
Nebraska State College System	Minimal impact
University of Nebraska	\$1,000,000 loss of tuition revenue*

\*Based on non-resident veteran participation in the Post-9/11 GI Bill, the Yellow Ribbon Program and the UNO Metropolitan Advantage Program.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 740	AM:	AGENCY/POLT. SUB: Nebraska Community College Association	
REVIEWED BY: Cindy Miserez		DATE: 01/16/2014	PHONE: 402-471-4174
COMMENTS: The analysis of the Nebraska Community College Association of LB740 appears to be reasonable.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 740	AM:	AGENCY/POLT. SUB: Metropolitan Community College	
REVIEWED BY: Cindy Miserez		DATE: 01/16/2014	PHONE: 402-471-4174
COMMENTS: I concur with the Metropolitan Community College's statement of no fiscal impact for LB 740.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 740	AM:	AGENCY/POLT. SUB: Nebraska State College System	
REVIEWED BY: Cindy Miserez		DATE: 01/10/2014	PHONE: 402-471-4174
COMMENTS: I concur with the Nebraska State College System's statement of minimal fiscal impact.			

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

**2014**

**LB<sup>(1)</sup> 740**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Metropolitan Community College

Prepared by: <sup>(3)</sup> David Koebel

Date Prepared: <sup>(4)</sup> 1/13/2014

Phone: <sup>(5)</sup> 402-457-2391

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2014

LB<sup>(1)</sup> 740

FISCAL  
NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 16, 2014 Phone: <sup>(5)</sup> 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2014-15		FY 2015-16	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	\$(1,000,000)	_____	\$(1,000,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>\$(1,000,000)</u>	<u>_____</u>	<u>\$(1,000,000)</u>

Explanation of Estimate:

LB 740 would make veterans who have been off active duty for two years or less, their spouses, and their dependents eligible for resident tuition rates if the veteran is registered to vote in Nebraska and demonstrates an intent to be a resident of Nebraska.

The University cannot accurately predict how many veterans, spouses or dependents would take advantage of the residency opportunity provided in LB 740. To determine an approximation of the potential fiscal impact, we examined the number of nonresident students enrolled at the University who received Post-9/11 GI Bill benefits.

In July of 2008, the Post-9/11 GI Bill was signed into law, creating a robust education benefits program rivaling the WWII-era GI Bill of Rights. The Post 9/11 GI Bill provides education benefits for service members who have served on active duty for 90 or more days since Sept. 10, 2001. It provides payment of resident tuition and fees at public institutions (tuition and fees are capped for those attending private institutions), a monthly housing allowance, and an annual stipend for books and supplies.

The Post-9/11 GI Bill does not cover the difference between resident and non-resident tuition at public institutions. The Yellow Ribbon GI Education Enhancement program (Yellow Ribbon program) is a provision of the Post-9/11 GI Bill that is available to potentially help reimburse military students for the more expensive non-resident tuition rates (or tuition above the cap at private institutions). The Yellow Ribbon program is a voluntary program that allows schools and the Veterans Administration to split some or all of the out-of-state tuition differential. Schools volunteering to participate in the Yellow Ribbon program can elect to award full or limited aid. Only veterans entitled to the maximum benefit rate (based on service requirements) or their designated transferees may receive the funding. Active duty service members and their spouses are not eligible for the program. **The University of Nebraska has been a Yellow Ribbon Participant since June 2009**, with NU and the VA splitting the nonresident tuition differential 50/50.

In the Fall of 2012, the University had nearly 180 nonresident students (from 34 different states) who qualified for Post 9/11 benefits enrolled on our campuses. Most of these students are enrolled at UNL and UNO. About 75% of the students were either Yellow Ribbon participants (NU and the VA split 50/50 the nonresident tuition differential) or qualified for the UNO Metropolitan Advantage Program (students from select Iowa counties can qualify for tuition at 150% of resident rates).

If we assume this entire cohort of Post 9/11 students would qualify for resident tuition rates as proposed by LB 740, the fiscal impact to the University would be approximately \$1 million:

**Lost Income From:**

Yellow Ribbon funding (Federal VA funds)	\$	(500,000)
Full paying nonresidents		(400,000)
UNO MAP students paying 150% of resident rate		(100,000)
<b>Totals</b>	<b>\$</b>	<b>(1,000,000)</b>

Again, this estimate is based on the Fall 2012 cohort of Post 9-11 enrolled nonresident students. The fiscal impact of LB 740 will ultimately be influenced by the following unknown variables which are not reflected in any of the numbers provided above:

1. The number of nonresidents students who actually fulfill LB 740's requirements that they be registered to vote in Nebraska and demonstrate an intent to be a resident of Nebraska.
2. The additional number of spouses, dependents, and other veterans who would enroll and take advantage of the program.
3. Additional expenditures that result from potential enrollment growth (increased faculty capacity, student services, etc).

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Benefits</b> .....				
<b>Operating</b> .....				
<b>Travel</b> .....				
<b>Capital outlay</b> .....				
<b>Aid</b> .....				
<b>Capital improvements</b> .....				
<b>TOTAL</b> .....				

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

**2014**

**LB<sup>(1)</sup> 740 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Community College Association

Prepared by: <sup>(3)</sup> Dennis Baack Date Prepared: 01/15/2014 Phone: <sup>(5)</sup> 402-471-4685  
<sup>(4)</sup>

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

The fiscal impact would be minimal if considering the number of out-of-state veterans currently enrolled in the five Association member community college areas. At this time, the loss of revenue would be about \$40,000. If more out-of-state veterans or dependents would come to Nebraska and enroll at a member community college area, there would be some increase in revenue for new students.

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

**2014**

**LB<sup>(1)</sup> 740**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Coordinating Commission for Postsecondary Education

Prepared by: <sup>(3)</sup> Gary Timm

Date Prepared: <sup>(4)</sup> 1/13/2014

Phone: <sup>(5)</sup> 471-0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</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>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2014**

**LB<sup>(1)</sup> 740**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska State College System

Prepared by: <sup>(3)</sup> Carolyn Murphy

Date Prepared: <sup>(4)</sup> 01/10/2014

Phone: <sup>(5)</sup> 402-471-2505

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	<u>Minimal</u>	=====	<u>Minimal</u>

Explanation of Estimate:

LB740 would require NSCS to provide in-state tuition rates to certain military veterans and their spouse and/or dependents. Many of these students are already provided the equivalent of in-state rates at the State Colleges. The impact to provide in-state tuition rates to all such student would be minimal.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____