

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$2,910,962		\$5,810,161	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$2,910,962		\$5,810,161	

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

LB 678 states intent to appropriate General Fund dollars to the Board of Trustees of the Nebraska State Colleges (NSCS) for salary increases, minimum wage increases, and for increases in health insurance premiums for the FY26-FY27 biennium. These dollar amounts, as broken out in the table below, were included in the NSCS FY26-27 operating budget request.

As stated in the bill, the funding for salary increases is based on negotiated agreements with the Nebraska Association of Public Employees (NAPE), the State College Education Association, and the Nebraska State College System Professional Association. The negotiation process with bargaining units is completed before the state appropriation cycle begins. The amounts for minimum wage increases are based on the Wage and Hour Act changes that took place on January 1, 2025, and on changes that will take effect January 1, 2026. The amounts for health insurance premiums were based on the budget instructions issued by the Department of Administrative Services (DAS) to assume a 5% increase each year of the upcoming biennium. The actual rate increase for NSCS, who uses a different provider than the State of Nebraska, will be 5.4% for FY6. The increase for health insurance that will be appropriated for some agencies will be 11% year over year.

	Biennium Request	
	FY26	FY27
Employee Salary Increase 3.0%	\$2,199,416	\$4,464,828
Health Insurance 5.0%	\$488,790	\$1,002,019
Minimum Wage	\$222,756	\$343,314
Total	\$2,910,962	\$5,810,161

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

LB: 678	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education	
REVIEWED BY: Kimberly Burns	DATE: 02/07/2025	PHONE: (402) 471-4171	
COMMENTS: Concur with the Coordinating Commission for Postsecondary Education's assessment of no fiscal impact to the agency from LB 678.			

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

LB: 678	AM:	AGENCY/POLT. SUB: Nebraska State College System	
REVIEWED BY: Kimberly Burns	DATE: 02/19/2025	PHONE: (402) 471-4171	
COMMENTS: The Nebraska State College System's FY 2025-26 estimate of fiscal impact from LB 678 appears reasonable. Disagree with the FY 2026-27 fiscal impact estimate, which does not appear to compound the FY 2025-26 increases into the impact shown for FY 2026-27.			

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

2025

LB⁽¹⁾ 678

FISCAL NOTE

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

Prepared by: ⁽³⁾ Brenda Owen Date Prepared: ⁽⁴⁾ 2/14/2025 Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$2,910,962</u>	<u></u>	<u>\$2,899,199</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$2,910,962</u>	<u></u>	<u>\$2,899,199</u>	<u></u>

Explanation of Estimate:

Employee Salary Increase:

The salary increases in line with biennium budget instructions as requested by the Department of Administrative Services State Budget Division. It includes the cost impact of a 3% salary increase on base salaries for the NSCS that was recommended by the Department of Administrative Services (DAS) which was the basis for the labor negotiations with the three unions across the State Colleges (NAPE/AFSCME, NSCPA, and SCEA).

Health Insurance:

This request supports the health, dental and vision benefits programs for all benefit eligible employees. The DAS budget instructions ask that a 5% increase be used for each year of the biennium. While the NSCS uses a different provider than the State of Nebraska, the average increase for the last five years is 5% and the basis of the request. The rate increase for FY26 has been set at 5.4%, and FY27 rates will not be available until October 2025 but are expected to align with the 5% average from the past five years.

Minimum Wage:

To address the minimum wage increase that occurred on January 1, 2025, with one-half of the budget impact felt in FY25, and the full impact felt in FY26. The FY25 impact was addressed with the recent tuition increase. The second half of the impact is included in the minimum wage request. The minimum wage will increase again on January 1, 2026 (\$13.50 to \$15.00), with one-half of the impact included in the FY26 request and the second half in the FY27 request.

	Biennium Request	
Established Commitments – LB678	FY26	FY27
Employee Salary Increase	\$2,199,416 (3.0%)	\$2,265,412 (3.0%)
Health Insurance	\$488,790 (0.7%)	\$513,229 (0.7%)
Minimum Wage	\$222,756 (0.3%)	\$120,558 (0.2%)
	\$2,910,962 (4.0%)	\$2,899,199 (3.9%)

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Various			\$2,422,172	\$2,385,970
Benefits.....			\$488,790	\$513,229
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$2,910,962	\$2,899,199

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

Prepared by: ⁽³⁾ Gary Timm

Date Prepared: ⁽⁴⁾ 1/23/2025

Phone: ⁽⁵⁾ 402.471.0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	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		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				