

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2010-11</b>		<b>FY 2011-12</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB1082 does not directly impact the level of state aid appropriated for aid to community college areas. Related appropriations would remain at the discretion of the Legislature.

LB1082 amends statutory provisions relating to and affecting distribution of amounts appropriated as state aid to community college areas for 2009-10 and future fiscal years. For 2009-10, specific state aid amounts are directed to be distributed to the respective community college areas. As a technical note, the sum (\$86,946,256) of the specified amounts is \$20,000 less than the amount (\$86,966,256) appropriated for 2009-10 as state aid to community college areas. For 2010-11, LB1082 provides that state aid for each community college area is to be calculated to maintain the relative amount of state aid each community college received for 2010-11 based upon its 2009-10 full-time equivalent students as each area received in 2009-10 based on its 2008-09 full-time equivalent students. For 2011-12, the bill provides that 20% of the amount appropriated for state aid to community college areas is to be distributed in equal shares to the six areas. The 80% balance of state aid is to be distributed in the proportion that the population of each community college area is to the total population of the state based upon the 2010 federal decennial census.

For 2009-10, the impact of LB1082 upon the distribution of state aid among community college areas requires a comparison of the state aid amounts specified in the bill versus the amounts scheduled for distribution under current law. For 2010-11, estimation of the impact of the bill on aid distribution requires estimation of 2009-10 full-time equivalent enrollments for each of the six community college areas. State aid appropriations for 2009-10 and 2010-11 are known quantities as are 2008-09 full-time equivalent enrollments for each of the six community college areas. For 2011-12 (and future years), estimation of the impact of the bill on aid distribution requires estimation of 2009-10 community college area full-time equivalent enrollments and populations of each of the areas as of the 2010 federal decennial census. Utilizing estimated full-time equivalent enrollments for 2009-10, population data from U.S. Bureau of the Census population estimates for 2008, and an assumed state aid appropriation level for 2011-12; estimates provided by the Nebraska Community College Association yield the following estimated comparison of community college state aid distribution under provisions of LB1082 versus state aid distribution under current law. Insofar estimates of aid distribution for fiscal years beyond 2009-10 require assumptions with respect to data element values as noted above, such estimates are subject to related inaccuracies.

Community College State Aid

	Actual	Scheduled	Prescribed	Estimated	Estimated	Estimated	Estimated
	Distribution	Distribution	Distribution	Distribution	Distribution	Distribution	Distribution
	Current Law	Current Law	LB1082	Current Law	LB1082	Current Law	LB1082
<u>College Area</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2011-12</u>
Central	11,974,658	8,309,395	8,591,816	6,451,979	8,963,861	5,033,641	14,658,170
Metro	23,485,669	18,433,636	23,706,884	18,713,845	24,956,268	20,476,714	30,757,054
Mid-Plains	8,263,478	8,271,177	7,882,912	7,897,060	7,890,844	7,868,660	6,350,936
Northeast	11,876,834	12,815,139	11,419,960	11,165,675	11,592,457	11,185,171	8,899,727
Southeast	19,033,793	27,198,344	23,706,884	30,464,955	23,619,325	31,432,877	20,556,190
Western	<u>12,632,043</u>	<u>11,938,566</u>	<u>11,637,800</u>	<u>12,064,512</u>	<u>9,735,271</u>	<u>11,628,543</u>	<u>6,403,528</u>
TOTAL	87,266,476	86,966,256	86,946,256	86,758,025	86,758,025	87,625,605	87,625,605

<u>Community College State Aid</u>							
	Actual	Scheduled	Prescribed	Estimated	Estimated	Estimated	Estimated
Community	Distribution	Distribution	Distribution	Distribution	Distribution	Distribution	Distribution
College Area	Current Law	Current Law	LB1082	Current Law	LB1082	Current Law	LB1082
<u>% of Total Aid</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2011-12</u>
Central	13.7%	9.6%	9.9%	7.4%	10.3%	5.7%	16.7%
Metro	26.9%	21.2%	27.3%	21.6%	28.8%	23.4%	35.1%
Mid-Plains	9.5%	9.5%	9.1%	9.1%	9.1%	9.0%	7.2%
Northeast	13.6%	14.7%	13.1%	12.9%	13.4%	12.8%	10.2%
Southeast	21.8%	31.3%	27.3%	35.1%	27.2%	35.9%	23.5%
Western	14.5%	13.7%	13.4%	13.9%	11.2%	13.3%	7.3%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<u>Estimated Difference in State Aid Distribution LB1082 vs. Current Law</u>			
Community	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
<u>College Area</u>			
Central	+282,421	+2,511,882	+9,624,529
Metro	+5,273,248	+6,242,423	+10,280,340
Mid-Plains	-388,265	-6,216	-1,517,724
Northeast	-1,395,179	426,782	-2,285,443
Southeast	-3,491,460	-6,845,630	-10,876,687
Western	-300,766	-2,329,241	-5,225,015
TOTAL	-20,000	0	0

Among data inputs incorporated in calculating distribution of community college state aid under current law are amounts representing tuition and fee revenue for the respective community college areas. Tuition and fee revenue amounts utilized by the Department of Revenue in calculating and certifying 2009-10 aid distribution included substantial adjustments. The 2010-11 estimated aid distribution in the preceding table assumes tuition and fee data elements without substantial adjustments similar to those incorporated in calculation and certification of the 2009-10 state aid distribution.

To the extent provisions of LB1082 may result in lower levels of state aid for community college areas for future years as compared to that which would be the case under current law and as provisions of the bill (particularly those contained in sections 24 to 28) would allow, the bill may generally result in some greater reliance on local resources (tuition and fee revenue and, particularly, property taxes) to support operating budgets of affected areas. To the extent provisions of the bill result in greater levels of state aid for other community college areas for future years as compared to that which would be the case under current law, the bill may generally result in some lesser reliance on local resources to support operating budgets for such areas.

Under provisions of existing law, the Coordinating Commission for Postsecondary Education is statutorily assigned responsibility to collect data from the six community college areas necessary to carry out the Community College Foundation and Equalization Act while the Department of Revenue is charged with responsibility to calculate and certify the amount of appropriated state aid to be distributed to the respective community college areas for each fiscal year. As indicated by the agency, the provisions of LB1082 represent no fiscal impact to the Department of Revenue in performance of its statutorily assigned duties. However, LB1082 would add a number of new duties and responsibilities for the Coordinating Commission with respect to community colleges and the Community College Equalization Act. Among these are:

- Collaborate with community colleges to at least biennially review and report on the colleges' success in fulfilling role and mission requirements, including foundations education.
- Collaborate with community college areas to develop indicators for measuring the outcomes of students receiving foundations education courses and report annually on such outcomes beginning in 2011.
- Adopt and promulgate rules and regulations to carry out the Community College Aid Act.
- Prescribe uniform practices and procedures for auditing, collecting, and reporting data by community college areas, specifically data necessary to carry out the Community College Equalization Aid Act, including but not limited to, full-time equivalent enrollment totals.

Workload and related impacts associated with duties and responsibilities to be newly assigned to the Coordinating Commission by LB1082 would be material. The Commission estimates that meeting these new duties and responsibilities would require 1.0 FTE additional staff position to coordinate and undertake the related workload. The Commission estimates start-up costs in 2009-10 ranging from \$44,578 to \$49,778 (including \$14,492 for 1.0 additional staff position) and ongoing costs ranging from \$141,271 to \$150,000 for 2010-11 (including \$92,209 salary and benefits for the additional staff position; \$18,895 for ongoing costs associated with annual evaluation of indicators for assessing success in fulfillment of role and mission requirements and indicators measuring outcomes of students receiving foundations education courses; and, \$8,100 for costs associated with ongoing evaluation of community college audit

parameters). The estimated range in costs is due to two different assumptions with respect to costs for leased space to accommodate an additional Coordinating Commission staff position. Workload and related impacts of LB1082 on the Coordinating Commission would appear to depend largely on the functions to be assumed by the agency in assessing the success of community college areas with respect to fulfillment of role and mission priorities as well as development and ongoing evaluation of indicators intended to measure outcomes of students receiving foundations education courses. A somewhat thorough undertaking of such functions as well as other responsibilities assigned by LB1082 would appear to merit employment of a full-time staff position by the Commission. If the Commission was to address such functions less comprehensively, employment of a staff position at something less than full-time status may be warranted.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	William Scheideler	DATE 2/19/10	PHONE 471-2526
COMMENTS			
COORDINATING COMMISSION – Agency analysis appears reasonable.			
NE COMMUNITY COLLEGE ASSOCIATION - Analysis appears reasonable.			