

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below		See Below	\$6,380
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 568 authorizes the State Board of Education to issue temporary teaching certificates beginning August 1, 2018. The certificates are valid for five years. The applicants must successfully complete a course on the U. S. Constitution and pass an examination administered by the State Department of Education (NDE) on the Constitution. Likewise, applicants must also successfully complete a course on the Nebraska Constitution and be tested by NDE on such. Criminal history record checks are required for applicants and the cost of the record check is borne by the applicant. An application fee of up to \$80 is required for individuals who have resided in the state for the past two years or \$100 for other applicants. It is assumed the fees will be deposited into the Teacher Certification Cash Fund.

Expenditures: NDE will contract for a .5 Education Specialist in FY18 and a .25 Education Specialist in FY19 to implement the requirements of the bill. The department indicates that rules and regulations will need to be revised and tests secured to test applicants on the U. S. and Nebraska Constitutions. There will be computer programming expenses of \$4,800 each year to reflect the new certificates and testing requirements. The estimated costs for the department to implement the bill are \$79,364 of cash funds in FY18 and \$35,228 in FY19.

If the department is unable to locate appropriate tests as required by the bill, then the agency will have to develop examinations. NDE indicates there may be a couple of tests available on the U. S. Constitution that could potentially be used to fulfil the requirements of the bill. However, the department is not aware of any course or test on the Nebraska Constitution that is appropriate for an adult seeking educator licensure. NDE estimates the cost of course and test development could be up to \$600,000. Additional funds will also be needed to create different forms of the test to increase test security and minimize cheating.

Revenues: NDE estimates there may be 75 individuals who will apply for temporary certificates each year pursuant to the bill. Assuming 75% of the applicants are residents of the state and 25% are from outside the state, there will be \$6,380 of cash fund revenue each year. Additional revenue could be raised if applicants are required to pay for the cost of tests. However, the bill does not authorize such fees.

Teacher Certification Cash Fund: The teacher certification cash fund is used to administer the certification of teachers and administrators in the state. The fund had a balance of \$729,000 at the end of FY16. NDE anticipates using the majority of the balance of the fund to develop a new certification computer system. If this is authorized by the Legislature, then there will not be sufficient cash funds available to develop a course and test on the Nebraska Constitution.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 568	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: James Van Bruggen	DATE: 1/27/17	PHONE: (402) 471-4179
COMMENTS: The Department of Education's estimates appear reasonable. It is possible that the Department of Education could utilize current resources for staffing costs.		

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2017

LB⁽¹⁾ 568

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Education – Adult Program Services

Prepared by: ⁽³⁾ Sharon Katt Date Prepared: ⁽⁴⁾ 1.24.17 Phone: ⁽⁵⁾ 402.471.2405

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$79,364</u>	<u>0</u>	<u>\$35,228</u>	<u>\$6,750</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>\$79,364</u>	<u>0</u>	<u>\$35,228</u>	<u>\$6,750</u>

Explanation of Estimate:

Ed Specialist III (.5 in 17-18 and .25 in 18-19): course and test development, Rule development/revision, Inservice/Observation/Monitoring criteria; Contractual: **17-18** Test validity and reliability study (\$8,000), Teacher Certification System programming (60 hours x \$80.00/hour=\$4,800); Contractual **18-19** continuing validation and programming (60 hours x \$80.00=\$4,800; Publication/Printing includes Rule development. Other costs based on NDE Costing Guidelines.

Revenue – Estimate 75 individuals at \$90.00 average=\$6,750.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Education Specialist III	<u>.5</u>	<u>.25</u>	<u>30,096</u>	<u>15,198</u>
Benefits.....			<u>16,919</u>	<u>8,966</u>
Operating.....			<u>18,524</u>	<u>9,164</u>
Travel.....			<u>3,675</u>	<u>1,775</u>
Capital outlay.....			<u>10,150</u>	<u>125</u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u>\$79,364</u>	<u>\$35,228</u>