

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB367 would adopt the Twenty-First Century Developmental Education Act and creates the Twenty-First Century Developmental Education Initiative. The bill provides that the initiative is to be developed by the community colleges in coordination with the Coordinating Commission for Postsecondary Education. The bill also enumerates a number of findings, elements of legislative intent, purposes, and objectives that are presumably to be considered and incorporated in the initiative to be developed. Given that the initiative has yet to be developed, there is no basis to estimate costs associated with its implementation. The Coordinating Commission estimates relatively nominal costs associated with a planning process for development of the initiative with the community colleges. A fiscal note response from the Nebraska Community College Association effectively indicates uncertainty with respect to the fiscal impact of the legislation.

In addition to the foregoing, LB367 expresses legislative intent to annually appropriate an unspecified amount from the General Fund to the State Department of Education to pay community colleges for tuition for up to 30 semester credit hours or 45 quarter credit hours of developmental education for Nebraska residents who are sixteen years of age or older and test below college level on the ACT Compass college-placement test to carry out the Twenty-First Century Development Education Act. The bill directs the Department, by rule and regulation, to develop a process for applying for and evaluating applications for such payments. The Department of Education estimates that costs would be incurred beginning with 2013-14 for one additional staff position and related non-personnel expenses to administer agency responsibilities associated with LB367. However, it would appear related costs would not be incurred before implementation of the initiative to be developed by the community colleges in coordination with the Coordinating Commission. An estimate of the annual level of tuition payments to be made by the Department of Education to community colleges for developmental education enrollment is uncertain. For purposes of a point of reference, 2011-12 community college systemwide enrollments included the equivalent of approximately 77,580 semester credit hours associated with foundations education according to community college area annual enrollment audits. Applying respective community college area 2011-12 tuition rates to respective community college area 2011-12 enrollment levels yields an estimate approximating \$5.7 million of 2011-12 community college tuition charges associated with 2011-12 foundations education enrollment.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 367	AM:	AGENCY/POLT. SUB: Community Colleges
REVIEWED BY: Matthew Eash	DATE: 1/29/2013	PHONE: 402-471-4175
COMMENTS: This legislation creates within the Department of Education a state aid program to Community Colleges to offset tuition that would be charged to applicable students. The as-yet unstated amount of funding for this aid program would be appropriated with General Funds, and it should be assumed that whatever General Fund amount is appropriated would be expended fully each fiscal year.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 367	AM:	AGENCY/POLT. SUB: Metro Community College	
REVIEWED BY: Matthew Eash		DATE: 1/29/2013	PHONE: 402-471-4175
COMMENTS: Assuming the demographic data in MCC's analysis is correct and that all such student FTEs would be qualified under this legislation, and assuming no increase in tuition costs through FY 2014-15, then in order to serve all qualified students, the maximum estimated General Fund impact of aid to MCC would be an increase to expenditures of \$3.7 million per fiscal year (with respect to state government resources), <i>not an increase to revenues</i> (which was likely meant with respect to MCC resources). Using MCC's tuition rate as a constant for all community colleges providing applicable courses, the maximum total General Fund impact statewide would be an increase of \$5.9 million per fiscal year.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 367	AM:	AGENCY/POLT. SUB: Coord. Commission for Postsecondary Ed	
REVIEWED BY: Matthew Eash		DATE: 1/29/2013	PHONE: 402-471-4175
COMMENTS: Concur with CCPE's General Fund fiscal impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 367	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Matthew Eash		DATE: 1/29/2013	PHONE: 402-471-4175
COMMENTS: For the Department, this legislation only creates a responsibility to administer aid payments. The legislation does not give the Department a role in contributing or overseeing content or curriculum. While there should be some nominal one-time development costs for a new rule section, existing staff can absorb the routine nature of reviewing applications and making aid payments.			

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

2013

LB⁽¹⁾ 367 FISCAL NOTE

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

Prepared by: ⁽³⁾ Dennis Baack Date Prepared: ⁽⁴⁾ 1/24/2013 Phone: ⁽⁵⁾ 402-471-4685

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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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

Explanation of Estimate:

The bill does not specify an amount of money to be appropriated. Therefore, it is impossible to give a definite fiscal impact. If money were to be appropriated, each college would gain revenue because they do operate these kinds of programs.

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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2013

LB⁽¹⁾ 367 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Metropolitan Community College

Prepared by: (3) David Koebel Date Prepared: (4) 1/28/2013 Phone: (5) 402-457-2391

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	_____	<u>\$3,739,680</u>	_____	<u>\$3,739,680</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>\$3,739,680</u>	<u>_____</u>	<u>\$3,739,680</u>

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

Explanation of Estimate:

The estimate is based on tuition waivers for our developmental (foundation) education provided. Per the latest statewide report from the CCPE, MCC provided 1,484 FTE in foundations education in FY 2009-10. This was 63% of the statewide total foundations education provided. 1,484 times 45 credit hours equals 66,780 credit hours times our current tuition and fee rate of \$56 per credit hour would total \$3,739,680 for MCC. The total is reflected as General Fund Revenue above that would become tuition waivers for our students to assist with their education pursuit as shown below. The high school students that will also be eligible for this aid are not eligible for Federal Financial Aid.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid...Student.....	_____	_____	<u>\$3,739,680</u>	<u>\$3,739,680</u>
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$3,739,680</u>	<u>\$3,739,680</u>

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

2013

LB⁽¹⁾ 367 FISCAL NOTE

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

Prepared by: ⁽³⁾ Carna Pfeil Date Prepared: ⁽⁴⁾ January 25, 2013 Phone: ⁽⁵⁾ 402-471-0029

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	<u>610.50</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u>610.50</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

Explanation of Estimate:

Coordination efforts will include the cost of meetings, review of the proposed Developmental Education Initiative developed by the community colleges, and other miscellaneous expenses. Meeting costs will include mileage, photocopies, other paper materials, and publications, as necessary – mileage estimate: \$378.50; photocopies: \$35.00; paper materials: \$22.00; and publications: \$175.00.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Benefits.....			<u>0</u>	<u>0</u>
Operating.....			<u>232.00</u>	<u>0</u>
Travel.....			<u>378.50</u>	<u>0</u>
Capital outlay.....			<u>0</u>	<u>0</u>
Aid.....			<u>0</u>	<u>0</u>
Capital improvements.....			<u>0</u>	<u>0</u>
TOTAL.....			<u>610.50</u>	<u>0</u>

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

2013

LB⁽¹⁾ 367 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Sharon Katt/Donlynn Rice Date Prepared: ⁽⁴⁾ 1/225/13 Phone: ⁽⁵⁾ 402.471.2405/3240

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>88,849*</u>	<u> </u>	<u>84,437*</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> </u>	<u> </u>	<u> </u>	<u> </u>

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

Explanation of Estimate:

Current FTE at NDE do not have the time and resources available that would be required to administer this program. Therefore additional staff would be needed. It is estimated that a Program Specialist II - 1 FTE would be the appropriate classification for duties and expertise needed. Classification, FTE and costs listed are generally based on experience with the Excellence to Teaching program and utilize NDE Fiscal Note Costing Guidelines. This includes development of a Rule (development committee expenses, printing, and legal notice). *NOT INCLUDED IN NOTE COSTING: costs of tuition at community colleges and the number of students to be served/credit hours to be reimbursed because this information is not known for calculation purposes.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-2014</u>	<u>2014-2015</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Program Specialist II	<u>1</u>	<u>1</u>	<u>48,303</u>	<u>49,389</u>
Benefits.....			<u>26,780</u>	<u>27,930</u>
Operating.....			<u>6,500</u>	<u>6,000</u>
Travel.....			<u>1,085</u>	<u>1,118</u>
Capital outlay.....			<u>6,280</u>	
Aid.....			<u>Unknown*</u>	<u>Unknown*</u>
Capital improvements.....				
TOTAL.....			<u>88,948*</u>	<u>84,437*</u>