

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	30,000		60,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	30,000		60,000	

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

LB703 deals with the Nebraska Optometry Education Assistance Contract Program. Current state law phases out the program with the last eleven (11) students completing the program in FY2014-15. Funding for the eleven (11) students to complete the program is included in the University's current budget.

LB703 would extend the program into the future. The total number of students in the program is not to exceed seven (7) in any academic year and the financial payment is not exceed \$15,000 per student per academic year.

For purposes of the fiscal note it is assumed that the last eleven (11) students are allowed to finish their program and a new class would also begin using a 2-2-2-1 class size, totaling seven (7).

Number of Students

	2014-15	2015-16	2016-17	2017-18
Current Class	11			
LB703				
Year 1	2	2	2	1
Year 2		2	2	2
Year 3			2	2
Year 4				2
Total	13	4	6	7

Fiscal Impact

	2014-15	2015-16	2016-17	2017-18
Current Class	*			
LB703				
Year 1	30,000	30,000	30,000	15,000
Year 2		30,000	30,000	30,000
Year 3			30,000	30,000
Year 4				30,000
Total	30,000	60,000	90,000	105,000

*Funding for the 11 current students completing the program in FY2014-15 is included in the University's current budget.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 703	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Cindy Miserez		DATE: 01/16/2014	PHONE: 402-471-4174
<p>COMMENTS: LB703 changes the optometry student contract program in FY2014-15 to seven students per any academic year at a maximum financial payment of \$15,000 per student for the maximum allowable actual cost of \$105,000 per academic year. Regarding available appropriation, LB195 Sec. 172 (5)(a) (2013) earmarks \$154,708 General Fund for optometry student contracts in FY2014-15. This current appropriation is sufficient to fund the terms of the program as stated in LB703 in FY2014-15. Currently, this earmark would not continue to appear in the FY2015-2017 biennium budget bill as FY2014-15 is the final year for the current group of students. With passage of LB703 into law, I expect the earmark would change to up to \$105,000 for fiscal years beyond FY2014-15 and continue to appear in the biennium budget bill. The University of Nebraska has stated in their fiscal note the expenditures for continuing the current 11 students and also starting the new program in FY2014-15 which exceeds the 7 student limit and the \$105,000 expenditure limit for any academic year.</p>			

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

2014

LB⁽¹⁾ 703

FISCAL
NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 13, 2014 Phone: ⁽⁵⁾ 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	\$226,427**		\$60,000**	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$226,427</u>		<u>\$60,000</u>	

Explanation of Estimate:

If the bill becomes effective for the upcoming 2014-15 academic year, four of the eleven current students would have to be removed from the program and no new students could be admitted until the 2015-16 academic year.

For purposes of this fiscal note we have assumed that the current cohort would be allowed to finish their contracts and a new class would also begin (Using a 2-2-2-1 class size, totaling 7 allowed by the bill).

We have also provided details for an annual enrollment of 7 students per academic year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2014-15 <u>EXPENDITURES</u>	2015-16 <u>EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			\$226,427**	\$60,000**
Capital improvements.....				
TOTAL.....			<u>\$226,427</u>	<u>\$60,000</u>

**LB 334 enacted during the 102nd Legislature-First Session (2011) eliminated funding for the Nebraska Optometry Education Assistance Contract Program. The last cohort of students eligible for the program will complete their studies during the upcoming 2014-15 academic year. It is assumed that LB 703 will not impact the existing 11 students in the program, who are projected to receive approximately \$196,427 of financial assistance in 2014-15. This existing financial commitment is included in the 2014-15 expenditure figures shown above.

LB 703 would allow a maximum of seven students during any academic year to participate in the Optometry program and receive financial assistance of \$15,000 per student. Given most Optometry programs are four years in length, limiting financial assistance to seven students during any academic year would, in effect, limit the number of new students into the program to two a year (and one during every fourth year), as shown in the table below (left). The expenditure figures included above are based on this interpretation of the bill.

The table below (at right) also displays the fiscal impact if the intent of the bill is to allow seven students to enroll each academic year, with a maximum of 28 students (four student cohorts of seven) receiving financial assistance during any academic year.

	LB 703 (As Written)				LB 703 (with 7 new students per year)			
	Student Headcount				Student Headcount			
	14-15	15-16	16-17	17-18	14-15	15-16	16-17	17-18
Current Cohort	11				11			
LB 703								
1st Year	2	2	2	1	7	7	7	7
2nd Year		2	2	2		7	7	7
3rd Year			2	2			7	7
4th Year				2				7
Total Students	13	4	6	7	18	14	21	28
	Fiscal Impact				Fiscal Impact			
	14-15	15-16	16-17	17-18	14-15	15-16	16-17	17-18
Current Cohort	\$ 196,427				\$ 196,427			
LB 703								
1st Year	\$ 30,000	\$ 30,000	\$ 30,000	\$ 15,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000
2nd Year	-	30,000	30,000	30,000	-	105,000	105,000	105,000
3rd Year	-	-	30,000	30,000	-	-	105,000	105,000
4th Year	-	-	-	30,000	-	-	-	105,000
Total Students	\$ 226,427	\$ 60,000	\$ 90,000	\$ 105,000	\$ 301,427	\$ 210,000	\$ 315,000	\$ 420,000