

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	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.

Under provisions of the Access College Early (ACE) Scholarship Program Act, students meeting income/financial eligibility criteria specified in Sec. 85-2104, who while still in high school enroll in college courses from eligible Nebraska colleges and universities (either through dual-enrollment or early enrollment agreements), are eligible to receive ACE Scholarships for related tuition and mandatory fees. Eligible students applying to take one or more courses from an accredited Nebraska postsecondary education institution may apply for ACE scholarships. Aid awarded under the program is to equal the lesser of tuition and mandatory fees incurred by the student after any applicable discounts or the tuition and fees that would have been incurred by the student for the same number of credit hours if the student were taking the course as a full-time, resident, undergraduate student from the University of Nebraska-Lincoln. Scholarship amounts are forwarded directly to the relevant postsecondary education institution as payment of the eligible student's tuition and mandatory fees. The ACE Scholarship Program is administered by the Coordinating Commission for Postsecondary Education (CCPE).

LB410 would define the term "career plan of study" to mean a sequence of at least three high school courses that:

- (a) may include dual credit or college credit courses,
- (b) are part of a career pathway program of study aligned with (1) the rules and regulations of the State Department of Education, (2) a professional certification requirement, or (3) the requirements for a postsecondary certification or diploma, and
- (c) have at least one local member of business or industry partnering as an official advisor to the program.

The bill would amend existing income/financial criteria determining student eligibility to receive an ACE Scholarship. The bill would effectively add a new eligibility criterion that provides that students who do not meet the current eligibility criteria would be eligible to receive up to \$250 per semester for courses that are part of "career plan of study" if the student's family has an annual household income at or below 250% of the federal poverty level. While this additional eligibility criterion would presumably increase the number of students who would be eligible to apply for aid under provisions of the Ace Scholarship Program Act, no estimate of the resulting increase in students eligible to apply for ACE Scholarships is currently available.

Sec. 85-2105 (not amended by LB410) directs CCPE to make ACE Scholarship payments in the order the applications are received, except CCPE is authorized to limit the number of scholarships awarded. Additionally, Sec. 85-2105 authorizes CCPE to limit the number of ACE Scholarships a student may receive. These provisions effectively allow CCPE to limit the award of ACE Scholarships in the event funds appropriated for the program are insufficient to meet all scholarship applications. The same provisions effectively result in the appropriation level for the program being at the discretion of the Legislature. While the extent to which the number of students eligible to apply for ACE Scholarships may increase under provisions of LB410 is uncertain, it appears highly likely that the number will indeed increase if the bill is enacted. It should be noted that the current (FY2014-15) appropriation level for the ACE Scholarship Program is insufficient to satisfy all applications for student aid under the program. Compounding the matter of this insufficiency is the expiration (at the close of FY2014-15) of U.S. Department of Education College Access Challenge Grant (CACG) federal funds utilized to supplement the current General Fund appropriation for the ACE Scholarship Program. FY2014-15 appropriations for the ACE Scholarship Program include \$685,000 General Funds and \$300,000 Federal Funds.

CCPE estimates \$2,800 in one-time costs (General Fund) would be incurred to implement LB410 if enacted. This includes \$800 associated with amendment to ACE Scholarship Program rules and regulations and \$2,000 to modify software associated with the current online ACE Scholarship application mechanism to incorporate student eligibility changes as provided in the bill. The agency's estimate appears reasonable.

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2015

LB⁽¹⁾ 410

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Coordinating Commission for Postsecondary Education

Prepared by: ⁽³⁾ Gary Timm

Date Prepared: ⁽⁴⁾ 1/23/15

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$2,800</u>	<u> </u>	<u> </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>\$2,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Explanation of Estimate:

The Access College Early (ACE) Scholarship Program provides financial assistance to low-income students for courses taken for credit from a qualified postsecondary educational institution while still enrolled in high school. LB410 adds a third student eligibility classification to the ACE program for students that takes a course that is part of a career plan of study and the student's family has an annual household income at or below 250% of the federal poverty level. These students would be eligible for up to \$250 per semester in financial aid. **The Commission assumes the financial aid for these students would come from the existing ACE appropriation and not an additional appropriation specifically for these students.**

LB410 amends the current ACE program and would necessitate the Commission to amend current rules and regulations. Costs for rules and regulations - \$500 for notice of hearing in the Omaha World-Herald, \$200 for travel for two Commissioners to hold the public hearing, and \$100 for copies and staff travel. The Commission would also need to contract with the OCIO to modify the current ACE web application to include this new eligibility classification at a one-time cost of \$2,000.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating.....	<u> </u>	<u> </u>	<u>\$2,800</u>	<u> </u>
Travel.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital outlay.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>\$2,800</u>	<u>\$0</u>