

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB991 would establish the Nebraska Integrated Education and Training Grant Program to provide grants to community colleges to develop and implement local programs of “integrated education and training” as defined in the bill. LB991 directs the Nebraska Community College Student Performance and Occupational Education Grant Committee to administer the program and to develop and implement grant applications, procedures, and guidelines as needed. By statute, this committee is chaired by a representative of the Coordinating Commission for Postsecondary Education (CCPE). As such, this fiscal note assumes that CCPE will have primary responsibility for administration of the newly created program. The Committee is to allocate grants of up to three years to community colleges through a competitive process. A number of criteria are cited in the legislation which are to be met by community colleges in order to be eligible to receive a grant under the proposed program. Among these criteria is a requirement that an applicant community college provide evidence of matching funds from local or philanthropic sources in an amount of not less than 25% of the total projected cost of the program for which the community college seeks grant funding. Additionally, LB991 requires the Coordinating Commission for Postsecondary Education (CCPE) to develop an annual evaluation (to include data elements specified in the bill) of the proposed grant program.

Sec. 6 of LB991 provides that \$750,000 is to be transferred from the Nebraska Training and Support Cash Fund (administered by the Nebraska Department of Labor) to the Nebraska Integrated Education and Training Grant Program on or before August 1, 2018 and August 1 each year thereafter to the to carry out the proposed program. Sec. 5 of the bill authorizes up to 15% of such transferred amounts to be retained by CCPE to administer related grants, provide technical assistance and conduct the annual evaluation of the grant program. CCPE estimates costs associated with LB991 assigned administrative duties at \$63,000 annually. This estimate includes \$43,000 for salary and associated benefit costs to support a 0.5 FTE staff position to perform oversight, evaluation, and reporting duties associated with the proposed program. In addition, the CCPE administrative cost estimate includes \$20,000 annually to contract with experts in fields associated with the focus of the proposed grant program, i.e. adult education, literacy activities, remedial education, workforce preparation, and workforce preparation for a specific occupation or occupational cluster (see Sec. 2 (4) of LB991).

The Nebraska Department of Labor indicates that given the current level of revenue accruing annually to the Nebraska Training and Support Cash Fund and given other current uses of amounts credited to the fund, annual transfers of \$750,000 from the fund to the Nebraska Integrated Education and Training Grant Program, as proposed in LB991, could not be sustained beyond FY2019-20.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB: 991	AM:	AGENCY/POLT. SUB Department of Labor		
REVIEWED BY:	Gary Bush	DATE:	02/22/18	PHONE: (402) 471-4161
COMMENTS: The fiscal impact provided by the agency on the Nebraska Training and Support Cash Fund (NTSCF) is reasonable given the assumptions used that assume continuation of a transfer for Sector Partnerships and grants provided at a level that is not supported by historical spending. Additionally, the bill transfers money from the NTSCF, it does not make an appropriation from the fund.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 991	AM:	AGENCY/POLT. SUB Coordinating Commission for Postsecondary Education	
REVIEWED BY: Gary Bush	DATE:	01/23/18	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with estimate of cost provided. The amount identified by the agency for administrating the program is well below the 15% allowed in the bill.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 991	AM:	AGENCY/POLT. SUB: Nebraska Community College Association	
REVIEWED BY: Gary Bush	DATE:	01/23/18	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with estimate of cost provided. Section 6 of the bill does provided \$750,000 a year so the costs of the program would have to fit into this amount.			

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

2018

LB⁽¹⁾ 991

FISCAL NOTE

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

Prepared by: ⁽³⁾ Greg Adams Date Prepared: ⁽⁴⁾ 1/12/2018 Phone: ⁽⁵⁾ 402-471-4685

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

It is difficult to estimate the general fund expense to an individual community college under the Nebraska Integrated Education and Training Grant Program portions of LB 991. An expenditure would be dependent upon the size and scope of a proposed project.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2018

LB⁽¹⁾ 991

FISCAL NOTE

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

Prepared by: ⁽³⁾ Gary Timm

Date Prepared: ⁽⁴⁾ 01/16/18

Phone: ⁽⁵⁾ 402-471-0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$750,000	\$750,000	\$750,000	\$750,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$750,000</u>	<u>\$750,000</u>	<u>\$750,000</u>	<u>\$750,000</u>

Explanation of Estimate:

LB 991 creates the Nebraska Integrated Education and Training Grant Program, which will fund up to three-year grants to community colleges to develop and implement programs that provide adult education and literacy activities with specific occupational workforce training. Grant funds awarded must include local matching funds of at least 25%. Language included in the bill identifies an annual transfer of \$750,000 from the Nebraska Training and Support Cash Fund to carry out this program.

Sections 3 and 4 require the Nebraska Community College Student Performance and Occupational Education Grant Committee to coordinate oversight, evaluation, and reporting efforts for the program. As chair of the committee and administrator of the program, these duties will most likely fall to the commission, which will report the results to the committee. These additional responsibilities would include reviewing grant applications, evaluating grant programs, monitoring match requirements, and providing technical assistance to the community colleges. The commission estimates a .50 FTE position will be required to perform the oversight, evaluation, and reporting efforts for the program.

Also included in the commission's cost estimate is \$20,000 in operating costs for use in contracting with experts in the field to provide technical assistance to the community colleges. This training could include seminars with program experts from states and colleges with previous experience implementing similar programs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Occupational Education Specialist	.50	.50	\$27,000	\$27,000
Benefits.....			\$16,000	\$16,000
Operating.....			\$20,000	\$20,000
Travel.....				
Capital outlay.....				
Aid.....			\$687,000	\$687,000
Capital improvements.....				
TOTAL.....			<u>\$750,000</u>	<u>\$750,000</u>

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

2018

LB⁽¹⁾ 991

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 2-20-2018 Phone: ⁽⁵⁾ 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$750,000)	_____	(\$750,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(\$750,000)	=====	(\$750,000)

Explanation of Estimate: LB 991 creates the Nebraska Integrated Education and Training Grant Program. The program provides grants to community colleges for the purpose of developing and implementing local programs of integrated education and training.

In order to fund the program, LB 991 appropriates \$750,000 from the Nebraska Training and Support Cash Fund to the Nebraska Integrated Education and Training Grant Program on or before August 1, 2018, and annually thereafter.

The Nebraska Training and Support Cash Fund supports the following: administrative costs for state unemployment insurance tax liability and payments; administrative costs for the State Unemployment Insurance Trust Fund and the Nebraska Training and Support Cash Fund; public and private job training programs designed to train, retrain, or upgrade work skills of existing Nebraska workers; recruitment of workers to Nebraska; training of new employees of expanding Nebraska businesses; creation of a common web portal for the attraction of businesses and workers to Nebraska; labor availability and skills gap studies pursuant to the Sector Partnership Program Act; and payment of unemployment insurance benefits if solvency of the state's account in the Unemployment Trust Fund and of the State Unemployment Insurance Trust Fund so require.

Currently, the Nebraska Training and Support Cash Fund is projected to transfer out approximately \$540,000 in operating costs each year. Additionally, the current appropriation includes \$142,603 in administration and \$1,600,000 in training grants each year. Revenue for the cash fund is approximately \$1,302,000 annually. If the fund were to absorb transfers of an additional \$750,000 per year, the fund balance would not be able to support any transfers beginning with fiscal year 20-21.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u> <u>EXPENDITURES</u>	<u>2019-20</u> <u>EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				