

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$2,641,260	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$2,641,260	

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

LB 953 provides for student teachers to be entitled to a waiver of 100% of resident tuition charges of the University of Nebraska (NU) or a Nebraska state college for the semester that the student teacher is student teaching in a Nebraska elementary, middle, or high school, provided the student teacher meets certain criteria. This would begin in school year 2025-26 and run through school year 2030-31.

The University of Nebraska (NU) fiscal note shows the assumptions used to estimate FY25-26 expenditures totaling \$2,282,000.

The Nebraska State College System (NSCS) fiscal note shows the assumptions used to estimate FY25-26 expenditures totaling \$359,260.

Omaha Public School System reports that OPS pays student teachers a \$9,000 stipend during their student teaching assignment. As of this writing, Lancaster Public Schools (LPS) has not returned a fiscal note.

The Coordinating Commission for Postsecondary Education (CCPE) reports no fiscal impact associated with the collection of annual reports.

The Fiscal Office has no basis to disagree with these estimates.

	<u>FY24-25</u>	<u>FY25-26</u>
University of Nebraska est.		\$2,282,000.00
Nebraska State College System est.		\$359,260.00
Projected General Fund Expense	\$0.00	\$2,641,260.00

Both NU and NSCS would have a cash fund revenue loss associated with a reduction in tuition revenue. Cost for the waiver will be paid with General Funds.

LB 953 expresses intent to appropriate up to \$3,000,000 from the General Fund to carry out this plan. Assuming that the credit hours projected in the fiscal notes returned by NU and NSCS remain true to projections, the intended general fund appropriation would appear to match the potential usage. The total appropriation over five years would be up to \$15,000,000. It is assumed, but not specifically stated, that the appropriations would be divided as needed between NU and NSCS.

Technical notes: Section 1 (2)(a) states that the student teacher waivers will be applied after subtracting awarded Federal financial aid grants and state scholarships and grants for each semester. Confusion could arise if the student teacher is receiving other scholarships with the same stipulation (e.g. possible overlap). It is unclear whether non-state, non-Federal stipends, such as those provided by OPS, could be subtracted from the awards.

Section 1 (2)(b) states that annual reports would be sent to the CCPE providing the numbers of students receiving student teacher waivers. It may be prudent to also report the dollar value of the waivers used by each institution, to better compare usage to appropriation. Some annual reports of this nature have typically been sent electronically to the Clerk of the Legislature. Those sent to the CCPE have typically been for programs administered by CCPE.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	953	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education
REVIEWED BY:	Gary Bush	DATE:	1/11/24 PHONE: (402) 471-4161
COMMENTS: Agree with agency that the provisions of the bill will have no fiscal impact to the agency. Technical Note: The current appropriation language in the bill is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	953	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY:	Gary Bush	DATE:	1/17/243 PHONE: (402) 471-4161
COMMENTS: Disagree with the University that the provisions of the bill would have a General Fund impact. The bill provides for a tuition waiver, which would result in a revenue loss for the University because of the waived tuition. The potential lost revenue would increase as the University increases tuition rates in future years. Additionally, the amount of financial aid assumed seems to be low at 20%. The bill does state an intent to appropriate \$3 million of General Funds to replace lost revenue. This funding may be insufficient to replace lost revenue for both the University system and Nebraska State College System. Technical Note: The current appropriation language in the bill is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	953 (Revised)	AM:	AGENCY/POLT. SUB: Nebraska State College System
REVIEWED BY:	Gary Bush	DATE:	2/9/24 PHONE: (402) 471-4161
COMMENTS: The estimate appears to be reasonable given the assumptions used by the agency. Technical Note: The current appropriation language in the bill is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	953	AM:	AGENCY/POLT. SUB: Omaha Public Schools
REVIEWED BY:	Gary Bush	DATE:	1/24/24 PHONE: (402) 471-4161
COMMENTS: Unable to provide comment about the fiscal impact as no fiscal impact was provided.			

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

2024

LB⁽¹⁾ 953

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Omaha Public Schools

Prepared by: ⁽³⁾ Shane Rhian Date Prepared: ⁽⁴⁾ 01-30-2024 Phone: ⁽⁵⁾ 531-299-9430

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

Omaha Public Schools pays student teachers a \$9,000 stipend during their student teaching assignment. OPS has had 242 student teachers during the 2023-24 school year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

LB ⁽¹⁾ 0953 Provide tuition waivers for student teachers as prescribed

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

Prepared by:⁽³⁾ Chris Kabourek Date Prepared:⁽⁴⁾ 01/16/2024 Phone:⁽⁵⁾ (402) 472-7102

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024 - 25		FY 2025 - 26	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>2,282,000.00</u>	<u>0.00</u>
CASH FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
OTHER FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>2,282,000.00</u>	<u>0.00</u>

Explanation of Estimate:

Beginning in school year 2025-26 through school year 2031-32, for the semester in which a student who meets the requirements of subsection (1) of this section is student teaching, the University of Nebraska shall waive one hundred percent of a student teacher's tuition remaining due after subtracting awarded federal financial aid grants and state scholarships and grants for such semester.

The assumptions used in the University's estimated fiscal impact calculations are shown in the table below.

	(A)	(B)	(C) A x B	(D)	(E) C x D	(F)	(G) E minus F
	Student Headcount	Assumed Student Credit Hours	Total Hours	Resident Tuition Rate per Credit Hour	Estimated Gross Tuition Remission	Estimated Financial Aid @ 20%	Estimated Net Tuition Remission
FALL							
UNL	89	15	1,335	\$ 268.00	\$ 358,000	\$ (72,000)	\$ 286,000
UNO	89	15	1,335	\$ 243.00	324,000	(65,000)	259,000
UNK	133	15	1,995	\$ 216.00	431,000	(86,000)	345,000
	<u>311</u>		<u>4,665</u>		<u>\$ 1,113,000</u>	<u>\$ (223,000)</u>	<u>\$ 890,000</u>
SPRING							
UNL	150	15	2,250	\$ 268.00	\$ 603,000	\$ (121,000)	\$ 482,000
UNO	150	15	2,250	\$ 243.00	547,000	(109,000)	438,000
UNK	182	15	2,730	\$ 216.00	590,000	(118,000)	472,000
	<u>482</u>		<u>7,230</u>		<u>\$ 1,740,000</u>	<u>\$ (348,000)</u>	<u>\$ 1,392,000</u>

FISCAL YEAR TOTALS	\$ 2,853,000	\$ 2,282,000
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BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024 - 25 EXPENDITURES	2025 - 26 EXPENDITURES
	24 - 25	25 - 26		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				<u>2,282,000.00</u>
Capital improvements.....				
TOTAL.....				<u>2,282,000.00</u>

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

2024

LB⁽¹⁾ 953 Revised

FISCAL NOTE

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

Prepared by: ⁽³⁾ Monte Kramer Date Prepared: ⁽⁴⁾ 2/8/2024 Phone: ⁽⁵⁾ 402-471-2507

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	\$359,260
CASH FUNDS	_____	_____	_____	(\$359,260)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	\$0.00

Explanation of Estimate:

The State Colleges have had an average of 284 completers in the undergraduate teacher education programs at Chadron, Peru, and Wayne State College over the past five academic years. The student teaching semester is the last requirement before they are recommended for certification. Virtually all students that have made it to this point will complete their student teaching requirement. The potential amount of waivers given the eligible population taking an average of 15 credit hours to complete their student teaching requirement would be \$869,040, but we estimate that \$509,780 of that amount would be covered by student aid, leaving the state to pick up \$359,260 under the legislation.

The reimbursement process isn't clearly defined enough to understand when/how NSCS colleges would be reimbursed.

The following table shows how the fiscal impact was calculated:

Fiscal Impact of LB953 for Nebraska State College System			
Student Headcount	(1)		284
Assumed Student Credit Hours			15
Total Student Credit Hours			4,260
Tuition Rate Per Credit Hour	(2)		\$204.00
Gross Tuition Waiver Before Financial Aid			\$869,040
Tuition and Fee Cost for 15 Hours Per Student	(3)		\$4,292
Total Estimated Financial Aid for One Semester Per Student	(4)		(\$3,027)
Difference Between Cost and Aid			\$1,265
Total Estimated Financial Aid Shortfall	(5)		\$359,260
Tuition Waiver Cost After Applied Aid			<u>\$359,260</u>
Notes:			
(1) The number used is the average annual completers for the last five years in teacher education programs at PSC, WSC and CSC. Student teaching is the final requirement, and if they have made it to this point they will complete.			
(2) Current tuition rate of \$192 inflated for FY25 and FY26 by 3% each year, rounded to the nearest dollar.			
(3) The average FY24 annual T&F cost for 30 hours is \$8,090, increased by 3% for FY25 and FY26, would be \$8,583. For one semester this would be \$4,292.			
(4) The average annual grant aid for students is \$6,053. For one semester this would be \$3,027.			
(5) Aid shortfall per student multiplied by number of eligible students: \$1,265* 284 = \$359,260			

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

LB⁽¹⁾ 953

FISCAL NOTE

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

Prepared by: ⁽³⁾ Gary Timm Date Prepared: ⁽⁴⁾ 1/5/2024 Phone: ⁽⁵⁾ 402.471.0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

LB 953 requires postsecondary institutions (uncertain if only public or both public and private institutions) to submit to the commission a report identifying the number of student teachers receiving waivers from the \$3 million in General funds included in the intent language of the bill. LB 953 does not provide for the commission to distribute any funds to the institutions.

The commission would be able to fund the collection of the reports within existing appropriations.

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____