

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB665 would establish the Teacher Shortage Loan Repayment Act / Program to be administered by the Coordinating Commission for Postsecondary Education (CCPE). The bill expresses intent to appropriate \$150,000 to CCPE for 2009-10 to carry out the act; however, no fund source is identified in the related intent language. The bill also creates the Teacher Shortage Loan Repayment Program Fund which is to consist of appropriations by the Legislature, funds received as gifts or grants from any source, and cash repayments from certain loan recipients under provisions of the bill. The Teacher Shortage Loan Repayment Act is to terminate on June 30, 2011 except that any person who receives a loan under the act is to continue to receive funding pursuant to the program as long as the loan recipient remains eligible. Repayment of loans provided under the act is to continue until all loan obligations have been satisfied. The bill provides that subject to the availability of funds appropriated for the program, CCPE may grant loans to qualifying students enrolled in teacher education programs at Nebraska postsecondary institutions. Costs to administer the program would depend to some degree upon volume of loans to be administered which, in turn, would be dependent upon the extent to which the Teacher Shortage Loan Repayment Program Fund would be capitalized to support loans. The extent to which the fund would be capitalized is apparently subject to the discretion of the Legislature. As such, assessment of costs to administer the program is problematic. Start-up and ongoing expenses to administer the program in amounts totaling \$70,470 for 2009-10 and \$65,700 for 2010-11 are identified by CCPE. Estimated costs are predominated by salary and benefits for a full-time loan program coordinator identified at \$59,520 annually. Potential loan volume would apparently be limited to a cohort of students that would qualify under the program prior to June 30, 2011, i.e. Nebraska residents/high school graduates who are enrolled as students in good standing in teacher education programs at Nebraska postsecondary institutions who have satisfactorily completed 60 credit hours. A full-time loan program coordinator may not be required on an ongoing basis; however, start-up of the program may require dedication of the equivalent of a full-time position as the program is implemented. To reiterate, loan volume would also be dependent upon the extent to which the Teacher Shortage Loan Repayment Fund would be capitalized which is uncertain.