

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
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.

LB1061 would adopt the Tuition Equalization Grant Program Act to be administered by the Coordinating Commission for Postsecondary Education. Under the act, grants are to be made on a first-come, first served basis to students meeting prescribed eligibility criteria who attend nonpublic, privately controlled and nonprofit Nebraska postsecondary educational institutions. Under the program, a maximum annual grant of \$4,500 could be awarded to eligible students for up to four years. The bill provides that in promulgating rules for the program, the Coordinating Commission is to provide for prorating of available funds if they are not sufficient to pay for all grants awarded in an award year. Insofar that no alternative funding source is identified in the bill, it is presumed that General Fund appropriations would be required to support financial aid awards under provisions of the Tuition Equalization Grant Program. The level of such appropriations would apparently be at the discretion of the Legislature given the requirement that the Coordinating Commission is to develop a prorating mechanism for grants.

Under existing law, the Coordinating Commission currently administers two state-funded student financial aid programs: the Nebraska Scholarship Program (NSP) and the Access College Early Scholarship (ACES) Program. Additionally, the Commission administers federal funds received under the College Access Challenge Grant (CACG) Program. While the Commission allocates a proportion of the CACG federal funds to support financial aid under the ACES Program, accounting and oversight responsibilities associated with the federal funding differ from those associated with state funds appropriated for the program and represent additional agency workload beyond that specifically associated with administration and state funding for the ACES Program. Enactment of the Tuition Equalization Grant Program Act under LB1061 will represent new student financial aid program administration responsibilities for the agency. The Commission estimates approximately \$13,500 in start-up costs and \$20,300 in ongoing costs (including .33 FTE part-time staff) for a total of \$33,800 to administer the Tuition Equalization Grant Program for 2010-11 and approximately \$20,300 for ongoing costs for 2011-12. Assuming that amounts would be appropriated at some level to fund student financial aid under the program, the Commission's cost estimates appear reasonable.