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PREPARED BY: Phil Hovis
DATE PREPARED: April 11, 2011
PHONE: 471-0057

LB 637

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised based on amendments adopted through April 7, 2011

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	160,000 See (5) below	See (1) & (2) below	160,000 See (5) below	See (1) & (2) below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	160,000 See (5) below	See (1) & (2) below	160,000 See (5) below	See (1) & (2) below

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

- 1) Among its provisions, LB637 as amended would adopt the Postsecondary Institution Act and amend provisions of the Private Postsecondary Career School Act.

The Coordinating Commission for Postsecondary Education indicates that enactment of the bill would necessitate related changes to agency rules as well as changes to the Comprehensive Statewide Plan for Postsecondary Education. Estimates of related costs (i.e. public hearing notice costs, commissioner travel expenses associated with a public hearing, and miscellaneous related expenses) outlined by the Commission total \$1,490. While such estimated costs are not insignificant, it would appear that operating costs such as those associated with adoption of rules modifications and revisions to the Comprehensive Statewide Plan could be accommodated without specific appropriation of funds.

The Department of Education estimates that two private postsecondary career schools currently under its jurisdiction would fall under the jurisdiction of the Coordinating Commission if LB637 were to be enacted. The Department estimates a nominal reduction in cash fund (fee) revenue (\$2,500) with such a change in jurisdiction.

- 2) LB637 as amended also includes provisions originally introduced as LB372. Sec. 85-961 currently provides that community colleges (with exceptions specifically authorized by statute and the Coordinating Commission for Postsecondary Education) have sole responsibility for the award of associate degrees, diplomas and certificates in less than baccalaureate degree program areas. LB637 would amend this provision so as to clarify that the reference to certificates relates to certificates comprised of courses at the associate-degree level or below. The bill would also amend Sec. 85-943 and authorize the University of Nebraska (upon Coordinating Commission approval per existing provisions of Sec. 85-1413 and 85-1414) to offer certificates within fields in addition to those already specifically authorized in statute, if the preponderance of the courses comprising the certificates is above the associate-degree level. As indicated by the respective entities, these provisions of LB637 represent no fiscal impact to either the Coordinating Commission or the Nebraska community colleges. The University of Nebraska estimates the authority granted by these provisions of LB637 could result in additional net revenue approximating \$100,000 annually. However, the level of net revenue realized will apparently depend significantly upon the nature and extent of certificate programs that may be undertaken by the University under authority that would be granted by bill.
- 3) LB637 as amended also includes provisions originally introduced as LB58. Among powers and duties enumerated for the Coordinating Commission for Postsecondary Education in Sec. 85-1412, the Commission is to conduct surveys and studies as may be necessary to undertake its coordination function. LB637 would amend Sec. 85-1412 so as to specifically direct the Coordinating Commission to conduct a study regarding the need for uniform policies and practices for dual enrollment courses and career academies in Nebraska. The Commission is to conduct the study in collaboration with other education entities as designated in the bill. The fiscal impact of such a study would be largely dependent upon the scope of the study to be undertaken. A related study of reasonable scope could apparently be accomplished within the existing budget resources of the Commission and those of the entities with which it is to collaborate.
- 4) LB637 as amended also modifies section 38-2622 as it was amended by LB334 (already enacted earlier during the 2011 legislative session). Pursuant to that legislation, the Nebraska Optometry Education Assistance Contract Program is effectively to be phased out such that the last students eligible to participate in the program would be those students who participated in the program in the 2010-11 academic year. LB637 would amend the phase-out provisions such that the last students eligible to participate in the program would be those students who participated in or were accepted into the program in the 2010-11 academic year. The change will have the effect of extending the phase-out period for the program by one fiscal year. As such, under the provisions of LB637, the last students to participate in the program would be those students who begin optometry programs in the 2011-12 academic

year (fall 2011). With current year estimated program cost at \$618,995, provisions of LB334 were estimated to result in a program cost reduction of \$154,749 in the first year (2011-12) of program phase-out, a cumulative cost reduction of \$309,498 in the second year (2012-13), a cumulative cost reduction of \$464,246 in the third year (2013-14), and realization of full program phase-out cost reduction of \$618,995 achieved in the fourth year (2014-15). Provisions of LB637 will extend these estimated program cost reductions by one year such that the first year program cost reduction of \$154,749 will be realized in 2012-13 and the full phase-out cumulative cost reduction of \$618,995 will be achieved in 2015-16.

- 5) LB637 as amended also provides for a three year pilot project beginning in 2011-12 for the administration of a standard college admission test to students in the 11th grade. The State Board of Education will select the participating school districts. The bill directs that funding for the pilot project will be provided from the Education Innovation Fund (lottery proceeds). Cash fund expenditures of the State Department of Education will increase relatedly by \$160,000 in 2011-12, 2012-13 and 2013-14 to provide for the test.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	William Schedeiler	DATE 4/11/11	PHONE 471-2526
<p>COMMENTS</p> <p>COORDINATING COMMISSION FOR POSTSECONDARY EDUCATION: Concur. DEPARTMENT OF EDUCATION – ADULT PROGRAM SERVICES/PRIVATE POSTSECONDARY CAREER SCHOOLS: Concur.</p>			

MAR 29 2011

LB637

FISCAL NOTE

Coordinating Comm. for Postsecondary Education

Prepared By	Pfeil, Carna
Date Prepared	3/29/2011
Prepared Phone	402-471-0029

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	1,489.75	0	0	0
Cash Funds	0	0	0	0
Federal Funds	0	0	0	0
Other Funds	0	0	0	0
Total Funds	1,489.75	0	0	0

Explanation of Estimate:

The amendment (AM 838) to LB 637 will require the Commission to rewrite Rules 1 & 2 and rewrite a section of the Comprehensive Statewide Plan. There will be a cost to rewrite the rules and Comp Plan, including at least one public hearing. The Commission will attempt to hold the required hearings for rule changes and Comp Plan changes as one hearing, thus decreasing the cost of hearings. The cost of a hearing would be: public hearing notice in the newspapers - \$875.00 (higher cost because of more words explaining both issues; travel expenses for Commissioners to attend hearing - \$125.00; and cost of supplies and copying - \$45.00.

A requirement of the Administrative Procedures act requires the Commission to meet with the sectors, review proposed changes, and negotiate discrepancies. The Commission will need to send out copies of proposed changes to each affected entity and after approval of the changes send out the final changes to the rules and the Comp Plan. The cost for these requirements will be: Supplies and Copies - \$45.00; mailings - \$21.75; reprint of Comp Plan - \$378.00.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
			0	0
			0	0
		Benefits	0	0
		Operating	1,364.75	0
		Travel	125	0
		Capital outlay	0	0
		Aid	0	0
		Capital improvements	0	0
		Total	1,489.75	0

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LB 637

AM 838 FISCAL NOTE

MAR 29 2011

2011

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name:

Adult Program Services - Private Postsecondary Career Schools

Prepared by: Carol Grell

Date Prepared: 03/28/11

Phone: 471-4825

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with columns for FY 2011-12 and FY 2012-13, and sub-columns for EXPENDITURES and REVENUE. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, and TOTAL FUNDS.

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

AM 838 removes certain institutions from PPCS jurisdiction. At this time we project that 2 institutions will be removed to CCPE jurisdiction, resulting in a \$2,500 loss of revenue. The change in jurisdiction has the potential to impact other schools currently regulated by PPCS, should they start offering baccalaureate degrees. It is assumed that as allowed statutorily we can compensate for that loss in FY 2012-2013 by increasing fees.

MAJOR OBJECTS OF EXPENDITURES

Personal Services:

Table with columns for POSITION TITLE, NUMBER OF POSITIONS (11-12, 12-13), and EXPENDITURES (2011-12, 2012-13). Rows include Benefit, Operating, Travel, Capital outlay, Aid, Capital improvements, and TOTAL.