

Revised on 3/9/15 to reflect agency comments.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                   |         |                   |         |
|---|-------------------|---------|-------------------|---------|
|   | <b>FY 2015-16</b> |         | <b>FY 2016-17</b> |         |
|   | EXPENDITURES      | REVENUE | EXPENDITURES      | REVENUE |
| GENERAL FUNDS   | \$21,000          |         | \$5,000           |         |
| CASH FUNDS  |                   |         |                   |         |
| FEDERAL FUNDS   |                   |         |                   |         |
| OTHER FUNDS   |                   |         |                   |         |
| <b>TOTAL FUNDS</b>  | <b>\$21,000</b>   |         | <b>\$5,000</b>    |         |

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

LB 508 changes minimum entry requirements for teacher education programs beginning January 1, 2019. The bill requires applicants for teacher education programs to have a grade point average of not less than 3.0 on a 4.0 scale or a grade point average in the top 50% for coursework completed in the most recent two years of the applicant’s education. Applicants must also achieve a minimum score determined by the State Board of Education on a standardized test approved by the board. The tests may include Praxis Series tests, the SAT or the ACT or an equivalent test approved by the Commissioner of Education.

**NDE Expenses:** The State Department of Education (NDE) will have increased general fund expenditures of an estimated \$15,000 in FY2015-16 to hire a consultant to research the comparability of tests and to make score recommendations. Upon receiving recommendations from the consultant, the department will invite constituencies impacted by the bill to meet to develop recommendations for minimum scores. The estimated cost to reimburse individuals involved in these meetings for expenses is \$6,000 of general funds in FY2015-16.

NDE will incur one-time expenses of \$5,000 general funds in FY2016-17 to revise the teacher certification computer system. It is assumed the department can update rules and regulations with existing staff and resources of the agency.

**State Colleges Impact:** The state colleges estimate that more stringent academic requirements for admittance to teacher education programs will reduce the number of students in teacher education programs at Chadron, Peru, and Wayne state colleges beginning in January of 2019 by 30 students in the first academic year and 30 students in the second academic year. Based upon current average tuition revenue of \$5,750 per student, the estimated loss of revenue in FY2018-19 is \$86,250 (15 Students-Spring), in FY2019-20 is \$258,750 (30 Students Fall, 45 Spring), and in FY2020-21 is \$345,000 (60 Students Fall, 60 Spring).

| <b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>   |     |   |                 |
|---|-----|---|-----------------|
| LB:508  | AM: | AGENCY/POLT. Nebraska State College System (NSCS) |                 |
| REVIEWED BY: James Van Bruggen  |     | DATE: 2/2/2015                                    | PHONE: 471-4179 |
| COMMENTS: The assumption around the fiscal impact is that students who would not qualify for a teacher education program would drop out of college. This may not be the case. |     |   |                 |

| <b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b> |     |                                     |                 |
|---|-----|-------------------------------------|-----------------|
| LB:508  | AM: | AGENCY/POLT. University of Nebraska |                 |
| REVIEWED BY: James Van Bruggen  |     | DATE: 1/26/2015                     | PHONE: 471-4179 |
| COMMENTS: I concur with the University of Nebraska’s assessment.                                  |     |                                     |                 |

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

**2015**

**LB<sup>(1)</sup> 508**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska State College System (NSCS)

Prepared by: <sup>(3)</sup> Carolyn Murphy

Date Prepared: <sup>(4)</sup> 2/2/2015

Phone: <sup>(5)</sup> 402-471-2505

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

|                    | <u>FY 2015-16</u>   |                      | <u>FY 2016-17</u>   |                      |
|--------------------|---------------------|----------------------|---------------------|----------------------|
|                    | <u>EXPENDITURES</u> | <u>REVENUE</u>       | <u>EXPENDITURES</u> | <u>REVENUE</u>       |
| GENERAL FUNDS      | _____               | _____                | _____               | _____                |
| CASH FUNDS         | _____               | Future Impact        | _____               | Future Impact        |
| FEDERAL FUNDS      | _____               | _____                | _____               | _____                |
| OTHER FUNDS        | _____               | _____                | _____               | _____                |
| <b>TOTAL FUNDS</b> | <u>_____</u>        | <u>Future Impact</u> | <u>_____</u>        | <u>Future Impact</u> |

**Explanation of Estimate:**

LB508 would add more stringent academic requirements for students entering a teacher education program at Chadron State, Peru State, and Wayne State Colleges after January 1, 2019. Based on recent years' experience, the NSCS estimates that, on average, about 13% of students currently entering teacher education programs would no longer qualify for the programs, which would result in approximately 30 students turned away each academic year. If we assume these students choose to leave College at the point they are not accepted into a teacher education program, the fiscal impact to the Colleges is the loss of tuition and fees from 30 students in the first academic year, and another 30 in the second year for a total of 60 students over a two-year period. Based on the current average cost of tuition and fees for each student for an academic year, this results in the loss of approximately \$5,750 per student. The fiscal impact will not be felt until FY 2018-19 when only one semester will be impacted, and therefore is not shown above.

For simplicity of presentation:

\*While a small portion of the fees are for "Other funds" (i.e. revolving fund and trust fund), the entire amount is shown in "Cash Funds", where the largest majority of tuition and fees are received, and

\*The NSCS is showing the impact equally distributed between the fall and spring semesters, and

\*Tuition and fees are estimated based on current rates. The actual impact will depend on tuition and fee rates in FY 2018-19 and forward.

The future estimated fiscal impact, based on LB508, is estimated as follows:

|            | <u>FY 2018-19</u> | <u>FY2019-20</u>  | <u>FY2020-21</u>  |
|------------|-------------------|-------------------|-------------------|
|            | <u>Revenue</u>    | <u>Revenue</u>    | <u>Revenue</u>    |
| Cash Funds | \$ (86,250)       | \$(215,625)       | \$(345,000)       |
| # Students | 15 Spring Term    | 30 Fall/45 Spring | 60 Fall/60 Spring |

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

| <u>POSITION TITLE</u>     | <u>NUMBER OF POSITIONS</u> |              | <u>2015-16</u><br><u>EXPENDITURES</u> | <u>2016-17</u><br><u>EXPENDITURES</u> |
|---------------------------|----------------------------|--------------|---------------------------------------|---------------------------------------|
|                           | <u>15-16</u>               | <u>16-17</u> |                                       |                                       |
| Benefits.....             | _____                      | _____        | _____                                 | _____                                 |
| Operating.....            | _____                      | _____        | _____                                 | _____                                 |
| Travel.....               | _____                      | _____        | _____                                 | _____                                 |
| Capital outlay.....       | _____                      | _____        | _____                                 | _____                                 |
| Aid.....                  | _____                      | _____        | _____                                 | _____                                 |
| Capital improvements..... | _____                      | _____        | _____                                 | _____                                 |
| <b>TOTAL.....</b>         | _____                      | _____        | _____                                 | _____                                 |



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

**2015**

**LB<sup>(1)</sup> 508**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 26, 2015 Phone: <sup>(5)</sup> 472-7109

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

|               | <u>FY 2015-16</u>   |                | <u>FY 2016-17</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 508 would not have a direct fiscal impact on the University.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

| <u>POSITION TITLE</u>     | <u>NUMBER OF POSITIONS</u> |              | <u>2015-16</u>      | <u>2016-17</u>      |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
|                           | <u>15-16</u>               | <u>16-17</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Benefits.....             | _____                      | _____        | _____               | _____               |
| Operating.....            | _____                      | _____        | _____               | _____               |
| Travel.....               | _____                      | _____        | _____               | _____               |
| Capital outlay.....       | _____                      | _____        | _____               | _____               |
| Aid.....                  | _____                      | _____        | _____               | _____               |
| Capital improvements..... | _____                      | _____        | _____               | _____               |
| TOTAL.....                | _____                      | _____        | _____               | _____               |