

Revised on 3/10/15 to include Dept. of Education response

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

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

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).

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB:508	AM:	AGENCY/POLT. Department of Education	
REVIEWED BY: James Van Bruggen		DATE: 2/19/2015	PHONE: 471-4179
COMMENTS: Some of the listed expenditures in the fiscal note may not be needed, as they are not requirements found in the bill.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
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.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
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⁽¹⁾ 508

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Education

Prepared by: ⁽³⁾ Sharon Katt

Date Prepared: ⁽⁴⁾ 01/29/2015

Phone: ⁽⁵⁾ 1-2405

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	\$23,200			
CASH FUNDS			\$4,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$23,200		\$4,000	

Explanation of Estimate:

\$15,000 - Research consultant costs to determine comparability for ACT/SAT/GRE and the test currently authorized by Rule 23 (CORE/Praxis I) and make score recommendations.

\$6,000 - Statewide constituency meeting to set cut scores based on research recommendations.

\$5,000 - Teacher Certification System updates to incorporate new test scores.

\$1,200 - Rule revisions (Rule 23 and Rule 20) since these Rules are not revised on a regular annual basis.

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.....			\$23,200	\$4,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$23,200	\$4,000

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

2015

LB⁽¹⁾ 508

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy

Date Prepared: ⁽⁴⁾ 2/2/2015

Phone: ⁽⁵⁾ 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	_____	_____	_____	_____
TOTAL FUNDS	<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> <u>EXPENDITURES</u>	<u>2016-17</u> <u>EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2015

LB⁽¹⁾ 508

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 26, 2015 Phone: ⁽⁵⁾ 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.....	_____	_____	_____	_____