

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(See Below)		(See Below)	
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 930 changes the allocation of lottery funds. Beginning in FY2016-17, seventeen percent of the lottery funds allocated to the Department of Education Innovative Grant Fund are to be used for competitive grants. The bill changes the allocation so that funds are initially distributed to reimburse school districts for costs of a standard college admission test given to 11th grade students in public schools and the remaining funds are provided for competitive grants.

LB 930 requires the State Department of Education (NDE) to reimburse each school district the difference between the district cost for registration fees and administration of the college admission test and the cost to the district of administering the current statewide assessment. It is assumed the bill is referencing the cost to administer the statewide assessment for 11th grade students only.

Change in the Allocation of the NDE Innovative Grant Fund: NDE indicates the cost of a standard college admission test ranges from \$46 to \$54 per student, depending upon the test selected. Assuming 25,000 eleventh grade students are tested annually, the cost of the test will be \$1,150,000 to \$1,350,000 per year. It is assumed the costs to administer the current statewide assessment and the college admission test will be similar, so the state reimbursement will be for the cost of the college admission test.

In FY2016-17 and FY2017-18, it is estimated about \$2.9 million of lottery proceeds will flow to the NDE Innovative Grant Fund. The bill has no net fiscal impact on the total amount of lottery funds allocated but it decreases the amount of lottery funds available for competitive grants from \$2.9 million per year to \$1,750,000 to \$1,550,000 per year.

State Assessment Costs: It is assumed the vendor contract for the state assessment system will be decrease by some amount if the assessment for students in the eleventh grade is eliminated. The total vendor contract is \$7.3 million which applies to assessments given in grades 3 to 8 and 11. If costs per grade for the current assessment are fairly equivalent, the contract may decrease by up to \$1 million per year. The state pays for the assessment system with general and federal funds. It is assumed other costs related to the assessment such as reporting and data gathering will be similar for either type of assessment.

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

2016

LB⁽¹⁾ # 930

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾

Valorie Foy

Date Prepared: ⁽⁴⁾

1/20/16

Phone: ⁽⁵⁾

402-471-2495

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$1,150,000.- 1,350,000.		\$1,200,000.- 1,400,000.	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,150,000.- 1,350,000.		\$1,200,000.- 1,400,000.	

Explanation of Estimate:

- The cost of administering a college admission exam depends on the exam that is selected. NDE estimates the cost to be between \$46. and \$54. a student.
- The costs are based on a partnership between NDE and the company to provide the college admission test. Costs could increase if the statewide college admission test was implemented based on contracts with each of the 245 school districts as the bill is currently written.
- The estimate is based on 25,000 students being tested annually.
- The estimate is based on administering a college admission exam that includes assessment of students' writing skills in order to provide adequate coverage of the Nebraska state academic standards.
- At this time NDE is unable to determine any school district or NDE administrative costs.
- The current NeSA testing contract with Data Recognition Corporation is \$7,301,225.00. If the NeSA assessment at the high school were discontinued under the DRC contract, the cost reduction to the NDE/DRC statewide assessment contract is unknown at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
Benefits.....				

Operating.....	<u>\$1,150,000.-</u>	<u>\$1,200,000.-</u>
Travel.....	<u>1,350,000.</u>	<u>1,400,000.</u>
Capital outlay.....	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>
TOTAL	<u>\$1,150,000.-</u>	<u>\$1,200,000.-</u>
	<u>1,350,000.</u>	<u>1,400,000.</u>