

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2014-15 | | FY 2015-16 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | See below | | See below | See below |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | See below | | See below | See below |
| TOTAL FUNDS | See below | | See below | See below |

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

LB1106 amends Sec. 79-777 and would provide that for each high school student participating in a dual credit course that is required as part of an approved career academy as determined in rules and regulations of the Department of Education, the student or student's family may be reimbursed by the Department for the tuition and fees associated with the course if the student successfully completes the course with a grade of C or higher and submits the transcript and tuition statement from the accredited postsecondary education institution issuing academic credit. The bill also provides that if scholarship funds are available to the student, the postsecondary institution issuing the academic credit for the dual credit course is to assist the student in applying for, receiving, and utilizing the financial aid before the student is eligible to be reimbursed.

The bill also newly creates the Career Academy Investment Fund. It is interpreted that the fund is to consist of amounts transferred to it by the Legislature. The bill specifies no amount(s) or source from which the amount(s) are to accrue to the newly created fund. The bill provides that the newly created fund is to be administered by the Coordinating Commission for Postsecondary Education. However, the bill also provides that reimbursements authorized under the legislation are to be made by the Department of Education. As indicated above, the bill provides that dual credit students or students' families may be reimbursed for postsecondary institution tuition and fees subject to certain specified limitations. It is unclear whether the permissive nature of this reimbursement is intended to provide for proration of reimbursements or a first applied for, first reimbursed process should amounts available from the Career Academy Investment Fund be insufficient to meet all applications for reimbursement in a given fiscal year.

The level of tuition and fee payments that may be subject to reimbursement beginning in 2015-16 pursuant to the provisions of LB1106 is difficult to estimate insofar the level of such reimbursements is subject to a number of variables. Included among these variables are:

- (a) The number and nature of career academies approved / to be approved by the Department of Education
- (b) The number of students enrolled in career academies
- (c) The number of dual credit courses in which students enroll as a component of the curricula of respective career academies
- (d) The proportion of dual credit course completers that achieve a course grade of C or higher
- (e) The proportion of such students (or families) that would submit transcripts and tuition statements as required for reimbursement
- (f) The tuition and fee rates of the respective postsecondary institutions issuing academic credit for dual enrollment courses
- (g) The extent to which student financial aid for dual credit courses may be available from participating postsecondary institutions

Acknowledging difficulty in assessing a possible level of reimbursements for which students / families may be eligible beginning in 2015-16 under provisions of LB1106, the Department of Education estimates \$750,000 based upon an assumed 1,500 students at an average reimbursement of \$500 for 2015-16. Given the variables noted in (a) to (g) above, no alternative Legislative Fiscal Analyst estimate is suggested. Costs approximating \$21,000 for 2014-15 and \$22,000 for 2015-16 (General Fund) relating to workload impacts associated with the legislation, as estimated by the Department, appear reasonable.

The Coordinating Commission for Postsecondary Education estimates minimal fiscal impact related to LB1106 assuming agency responsibilities would be limited to administration of the Career Academy Investment Fund and that reimbursements as provided by the bill would be processed and administered by the Department of Education.

As indicated, LB1106 would require postsecondary institutions issuing academic credit for dual enrollment courses to assist students in applying for, receiving and utilizing financial aid as may be available. Workload impacts for existing financial aid offices at public postsecondary institutions will depend significantly on variables as noted in (a) to (c) above as well as the extent to which related dual enrollment students would enroll in courses for which credit would be granted by respective public postsecondary institutions. The Nebraska State College System estimates no fiscal impact insofar the related institutions are not currently affiliated with career academies. No definitive estimate of related impacts are identified by the community colleges. The University of Nebraska estimates workload impacts necessitating 2.0 FTE financial aid staff systemwide with associated costs estimated at \$110,000 for 2014-15 and \$104,000 for 2015-16 (General Fund). To the extent required, additional staff would not appear necessary for the entirety of 2014-15.

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | | |
|---|-----|--|--|
| LB: 1106 | AM: | AGENCY/POLT. SUB: University of Nebraska | |
| REVIEWED BY: Matthew Eash | | DATE: 2/12/2014 | PHONE: 402-471-4175 |
| COMMENTS: LB 1106 does not appear to require the University to perform substantively different or more financial aid advice to its students/applicants than it would otherwise. No fiscal impact. | | | |

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | | |
|---|-----|---|--|
| LB: 1106 | AM: | AGENCY/POLT. SUB: Department of Education | |
| REVIEWED BY: Matthew Eash | | DATE: 2/12/2014 | PHONE: 402-471-4175 |
| COMMENTS: There is no reliable basis to estimate the number of students that might apply and be eligible for financial assistance, and there is no indication in the Bill of the amount of funding that would be made available. The hypothetical basis used by the Department is plausible, and the Department's estimate of increased workload costs appears reasonable on the basis of the number of students it has estimated it would serve. | | | |

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

2014

LB⁽¹⁾ 1106

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Education

Prepared by: ⁽³⁾ Richard Katt Date Prepared: ⁽⁴⁾ 1/27/2014 Phone: ⁽⁵⁾ 402-471-4809

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2014-15</u> | | <u>FY 2015-16</u> | |
|--------------------|-----------------------------|------------------------------------|-----------------------------|------------------------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | <u>21,198.34</u> | <u> </u> | <u>772,100.67</u> | <u> </u> |
| CASH FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| FEDERAL FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| OTHER FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u>21,198.34</u> | <u> </u> | <u>772,100.67</u> | <u> </u> |

Explanation of Estimate:

The number of students taking advantage of this program is difficult to estimate. This was based on an estimate of 1,500 students in the 2015-2016 year with an average tuition cost of \$500.00 per student. This is probably a high estimate of the cost of tuition. Each college sets their own rates and the rate they charge for dual-credit.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2014-15</u> | <u>2015-16</u> |
|---------------------------|----------------------------|--------------|-----------------------------|-----------------------------|
| | <u>14-15</u> | <u>15-16</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Program Specialist II | <u>.25</u> | <u>.25</u> | <u>12,526.94</u> | <u>12,808.78</u> |
| Benefits..... | | | <u>7,671.40</u> | <u>8,291.89</u> |
| Operating..... | | | <u>1,000.00</u> | <u>1,000.00</u> |
| Travel..... | | | <u> </u> | <u> </u> |
| Capital outlay..... | | | <u> </u> | <u> </u> |
| Aid..... | | | <u> </u> | <u>750,000.00</u> |
| Capital improvements..... | | | <u> </u> | <u> </u> |
| TOTAL..... | | | <u>21,198.34</u> | <u>772,100.67</u> |

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

2014

LB⁽¹⁾ 1106

**FISCAL
NOTE**

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 31, 2014 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2014-15</u> | | <u>FY 2015-16</u> | |
|--------------------|-----------------------------|------------------------------------|-----------------------------|------------------------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | <u>110,000</u> | <u> </u> | <u>104,000</u> | <u> </u> |
| CASH FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| FEDERAL FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| OTHER FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u><u>110,000</u></u> | <u><u> </u></u> | <u><u>104,000</u></u> | <u><u> </u></u> |

Explanation of Estimate

The bill requires the University to assist high school students in applying, receiving, and utilizing scholarship funds available to them.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2014-15 EXPENDITURES</u> | <u>2015-16 EXPENDITURES</u> |
|---------------------------|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| | <u>14-15</u> | <u>15-16</u> | | |
| Financial Aid Staff | <u>2.0</u> | <u>2.0</u> | <u>80,000</u> | <u>80,000</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Benefits..... | <u> </u> | <u> </u> | <u>24,000</u> | <u>24,000</u> |
| Operating..... | <u> </u> | <u> </u> | <u>6,000</u> | <u> </u> |
| Travel..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Capital outlay..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Aid..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Capital improvements..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL..... | <u><u> </u></u> | <u><u> </u></u> | <u><u>110,000</u></u> | <u><u>104,000</u></u> |

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

2014

LB⁽¹⁾ 1106

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Coordinating Commission for Postsecondary Education

Prepared by: ⁽³⁾ Gary Timm

Date Prepared: ⁽⁴⁾ 01/24/2014

Phone: ⁽⁵⁾ 471-0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2014-15</u> | | <u>FY 2015-16</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:

This LB creates a process to reimburse students attending a career academy for the costs of dual-credit courses. The Department of Education determines whether to reimburse the student and reviews the related transcripts and tuition statements supporting the reimbursement request. The reimbursement request would take into account other scholarships awarded by the postsecondary institution. The Department of Education will forward the approved reimbursement requests to the Commission for payment, presumably from General fund appropriations. It is unclear whether the Commission is to reimburse the student directly or transfer funds to the Department in order for the Department to issue the reimbursement to the student.

There is no indication of the amount of funding to be available or what happens if reimbursement requests exceed appropriations. As currently written, the Commission's responsibility would include determining if reimbursement from a separate dual-enrollment program has been made for the course and processing payment requests, either to the Department or to the student. We believe the costs to be minimal but reserve the ability to amend this fiscal note if more details are provided in future amendments.

The Commission believes there will be no fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2014-15</u> | <u>2015-16</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>14-15</u> | <u>15-16</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |

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

2014

LB⁽¹⁾ 1106

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy

Date Prepared: ⁽⁴⁾ 1/30/2014

Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2014-15</u> | | <u>FY 2015-16</u> | |
|---------------|-------------------------|----------------|-------------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | <u>No Fiscal Impact</u> | _____ | <u>No Fiscal Impact</u> | _____ |

Explanation of Estimate:

LB1106 provides for reimbursement to students of some tuition and fees for dual-credit courses offered as part of an approved career academy. The NSCS does not currently participate in a career academy, therefore estimates no fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2014-15</u> | <u>2015-16</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>14-15</u> | <u>15-16</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |

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

2014

LB⁽¹⁾ 1106 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Community College Association

Prepared by: ⁽³⁾ Dennis G. Baack Date Prepared: January 31, 2014 Phone: ⁽⁵⁾ 402-471-4685
⁽⁴⁾

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2013-14</u> | | <u>FY 2014-15</u> | |
|--------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | <u>_____</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |

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

Explanation of Estimate:

Fiscal impact would be dependent upon the number of students who would qualify for tuition assistance using the criteria of the bill. It is not possible to predict how many students would qualify for these funds.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2013-14</u> | <u>2014-15</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>13-14</u> | <u>14-15</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |

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

2014

LB⁽¹⁾ 1106

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Metropolitan Community College

Prepared by: ⁽³⁾

David Koebel

Date Prepared: ⁽⁴⁾

1/30/2014

Phone: ⁽⁵⁾

402-457-2391

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2014-15</u> | | <u>FY 2015-16</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:

We project no expense increase or decrease by this legislation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2014-15</u> | <u>2015-16</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>14-15</u> | <u>15-16</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |