

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				
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.

LB906 creates the Law Enforcement Education Act. LB906 requires the University, State Colleges, and Community Colleges to provide Nebraska law enforcement officers a 30% resident tuition waiver. The 30% waiver applies to tuition after state and federal grants and scholarships have been taken into account.

Based on certain assumptions, the tuition revenue loss is estimated as follows.

	FY2016-17	FY2017-18
University	(\$320,000)	(\$400,000)
State Colleges	(\$176,256)	(\$246,483)
Community Colleges	Can not be determined	Can not be determined

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

2016

LB⁽¹⁾ 906

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 19, 2016 Phone: ⁽⁵⁾ 402-472-2191

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	_____	_____	_____	_____
CASH FUNDS	_____	(320,000)	_____	(400,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(320,000)	=====	(400,000)

Explanation of Estimate:

The bill would provide a 30% discount on Tuition to certain Law Enforcement Officers. It is difficult to determine the number of Officers who would take advantage of the program, especially since it appears they would have to remain in good standing with their agency and be a full-time student.

We have estimated 5% of the roughly 4000 eligible Officers (not knowing the number of current degree holders) may take advantage of the offer; the ability to take online classes is likely to increase program usage. Using the UNL tuition rate and 24 hours/yr. we estimate a reduction in revenue of about \$1600 per participant.

Our assumption is that those students continue and an additional 1.25% of Officers join in the second year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

2016

LB⁽¹⁾ 906

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Community College Association

Prepared by: ⁽³⁾ Dennis Baack

Date Prepared: ⁽⁴⁾ January 13, 2016

Phone: ⁽⁵⁾ 402-471-4685

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

May have a minor impact on revenue but it is impossible to assign an exact number because it is not known how many individuals may take advantage of the opportunity.

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.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2016

LB⁽¹⁾ 906

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy

Date Prepared: ⁽⁴⁾ 01/19/2016

Phone: ⁽⁵⁾ 402-471-2505

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	_____	_____	_____	_____
CASH FUNDS	_____	(176,256)	_____	(246,483)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(176,256)	=====	(\$246,483)

Explanation of Estimate:

LB906 would require that the Colleges of the NSCS provide a 30% tuition waiver, based on resident tuition charges, to eligible law enforcement officers pursuing a baccalaureate degree. The current rate for undergraduate resident tuition at the NSCS is \$153 per credit hour. A full-time equivalent (FTE) undergraduate student generally assumes 30 credit hours at the undergraduate level. Therefore, at current rates, for each FTE attendance at the Colleges by eligible law enforcement officers, \$1,377 (\$153 x 30 credit hours x 30%) of tuition would be waived under LB906.

The Nebraska Crime Commission's website indicates that there were 3,954 sworn personnel in 2014. While we do not know the number that already possess a bachelor's degree, the U.S. Bureau of Labor Statistics indicate that about 35% of police and sheriff's patrol officers nationwide hold at least a bachelor's degree. If apply this to the Nebraska numbers, the resulting estimate is that about 2,570 (3,954 x 65%) Nebraska officers may be interested in pursuing a baccalaureate degree (assuming the 35% who already possess such a degree are not interested in pursuing a second baccalaureate degree).

It is difficult to project the number of law enforcement officers, then, who might decide to attend the State Colleges, or the credit hour loads they will choose to take. However, using a fairly simplistic example, if we estimate that 5% of these individuals decide to take advantage of the LB906 and attend one of the Colleges of the NSCS, this would result in a tuition waiver of 30% for 128 students attending Chadron State, Peru State, or Wayne State College. If these 128 students were taking a full-time load, this would result in a required tuition waiver of \$176,256 (\$1,377 x 128) annually. This \$176,256 impact would continue for the four years of these individuals' degree programs. If an additional 2% of the students decide to take advantage of the program the following academic year, the impact will increase for an additional 51 (2,570 x 2%) students at an impact of \$70,227 (\$1,377 x 51), increasing the impact to revenues in the second year to \$246,483.

The bill does allow for the calculation of the 30% waiver after applying any federal financial aid and state scholarships/grants, which could lessen the impact in many cases.

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				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				