

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	2,795,424		2,795,424	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,795,424		2,795,424	

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

LB713 provides that it is the intent of the Legislature to appropriate \$2,795,424 from the General Fund for 2016-17 to the Coordinating Commission for Postsecondary Education (CCPE) for the Access College Early (ACE) Scholarship Program (i.e. Agency 48 – Program 691). The amounts reflected in the table above reflect increased General Fund expenditures in the amount of the intended appropriation level for 2016-17 and assume the amount is intended as an ongoing base level funding adjustment intended to be continued for 2017-18 and future fiscal years.

Appropriations for the ACE Scholarship Program for the current biennium amount to \$735,000 (General Fund) for each of 2015-16 and 2016-17. The LB713 intended appropriation would represent a nearly four-fold increase in funding for the student aid program. Currently, CCPE employs a 1.0 FTE Financial Aid Coordinator who administers both the Nebraska Opportunity Grant Program and the ACE Scholarship Program among other related duties. CCPE indicates that the current ACE Scholarship Program funding level accommodates approximately 3,000 ACE Scholarships which require approximately 500 work hours annually to administer. The agency indicates that increased funding for ACE Scholarships at the level expressed as intended by LB713 would necessitate the addition of a 1.0 FTE Accounting Clerk II position to support administrative workload associated with an estimated increase of 11,400 ACE Scholarship awards that would be accommodated by the funding. Related salary, benefits and non-personnel costs are estimated to approximate \$54,000 annually or slightly less than 2% of the LB713 intended appropriation level. In the event the Legislature were to appropriate the amount expressed as intended by LB713, a portion of the related funding could be diverted to support increased ACE Scholarship administrative workload costs.

Insofar LB713 represents an expression of legislative intent to appropriate funds, actions to appropriate related funding ultimately remain at the discretion of the Legislature.

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2016

LB⁽¹⁾ 713

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Coordinating Commission for Postsecondary Education

Prepared by: ⁽³⁾ Gary Timm

Date Prepared: ⁽⁴⁾ 1/12/2016

Phone: ⁽⁵⁾ 471-0020

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	<u>2,849,794</u>	<u> </u>	<u>2,849,094</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>2,849,794</u>	<u>0</u>	<u>2,849,094</u>	<u>0</u>

Explanation of Estimate:

The Access College Early (ACE) Scholarship Program provides financial assistance to low-income students for courses taken for credit from a qualified postsecondary educational institution while still enrolled in high school. Students electronically apply to the Commission for a scholarship for each course. The Commission reviews each application for eligibility and approves or disapproves the scholarship. Once the student has completed the course, the Commission reviews whether the student met the completion eligibility requirements before finalizing the scholarship award and making payment to the postsecondary institution.

LB 713 would increase the General fund dollars appropriated to the Access College Early scholarship program by \$2,795,424, from \$735,000 to \$3.53 million. Approximately 3,000 scholarships were awarded from the \$735,000 for an average scholarship of \$245. The \$2.8 million increase in funding would allow the ACE program to award an additional 11,400 scholarships, almost a 400% increase. Currently, the Commission spends approximately 500 hours on awarding scholarships and preparing reports for the ACE program.

Increasing this program by 400% would require one additional FTE (500 hours x 400% workload increase = 2,000 hours) with the necessary communications (\$35/mo.) and computer equipment (\$1,500 one-time cost) to assist in reviewing applications and awarding scholarships. Additionally, this position would assist the Financial Aid Officer during year-end audits at the institutions participating in the ACE program, requiring minimal travel costs. Administration of the ACE program is paid through program 640 and aid payments are paid through program 691.

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>
Accounting Clerk II	<u>1.0</u>	<u>1.0</u>	<u>30,000</u>	<u>30,720</u>
Benefits.....			<u>21,950</u>	<u>22,030</u>
Operating.....			<u>1,920</u>	<u>420</u>
Travel.....			<u>500</u>	<u>500</u>
Capital outlay.....				
Aid.....			<u>2,795,424</u>	<u>2,795,424</u>
Capital improvements.....				
TOTAL.....			<u>2,849,794</u>	<u>2,849,094</u>