

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB123 creates the Guaranty Recovery Cash Fund to be administered by the Coordinating Commission for Postsecondary Education (CCPE). The bill directs CCPE to annually assess applicable for-profit postsecondary institutions one-tenth of one percent of the prior school year's gross tuition revenue until the Guaranty Recovery Cash Fund reaches a minimum level of \$250,000. The bill further provides that the fund is to be maintained at a minimum level of \$250,000 and a maximum level of \$500,000. Under specified conditions, the bill authorizes amounts from the fund to be disbursed to students for certain claims relating to applicable for-profit postsecondary institutions which terminate operations.

CCPE indicates that four postsecondary institutions currently would be subject to provisions of LB123. The agency indicates that workload impacts associated with collection of amounts assessed to applicable for-profit postsecondary institutions under provisions of LB123 would be minimal. Potential workload associated with processing student claims under provisions of the bill is indeterminate insofar related workload would be contingent upon whether an applicable for-profit postsecondary institution were to terminate operations and the extent to which such a termination would precipitate related student claims.

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2017

LB⁽¹⁾ 123

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Coordinating Commission for Postsecondary Education

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 123 establishes a Guaranty Recovery Cash Fund and provides authority to the Coordinating Commission for Postsecondary Education to receive, evaluate, approve, and pay claims resulting from loss to a student when a for-profit postsecondary institution terminates operations. LB 123 also requires the Commission to assess for-profit postsecondary institutions a percent of gross tuition revenue until the Guaranty Recovery Cash Fund reaches a minimal level of \$250,000.

Currently four institutions meet the definition of for-profit postsecondary institutions with a physical presence in Nebraska.

Any fiscal impact to the Commission to collect the assessment from institutions will be minimal and able to be accomplished within the Commission's appropriations. However, the potential workload impact related to claims submitted to the Commission or whether or when an institution will terminate is unknown and no estimate of cost is able to be calculated.

No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____