

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		See below RE future		See below RE future
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.

Sec. 10 (1) of LB650 creates the Teach for Nebraska Fund and provides that the fund is to be administered by the Coordinating Commission for Postsecondary Education (CCPE). As provided by Sec. 4 & Sec. 10 (3) of the bill, amounts accruing to the newly created fund are to provide for the expenses of students and teachers participating in the Teach for Nebraska Summer Program in 2019-20 and 2020-21 and to provide for scholarships to be awarded to graduates of the Teach for Nebraska Summer Program for 2021-22 through 2029-30.

For purposes of this fiscal note, it is assumed that Sec. 10 (3) of the bill directs that for each of 2019-20 and 2020-21 (dates not specified), \$1,000,000 is to be transferred from the Excellence in Teaching Cash Fund, which is administered by Nebraska Department of Education (NDE), to the newly created Teach for Nebraska (Cash) Fund. Technically, these transfers would represent negative revenue for the Excellence in Teaching Cash Fund and corresponding equivalent positive revenue for the Teach for Nebraska (Cash) Fund. Dedicated amounts from state lottery proceeds represent the source of revenue credited to the Excellence in Teaching Cash Fund under current law. LB650 directs that amounts to be transferred to the Teach for Nebraska (Cash) Fund in 2019-20 and 2020-21 are to support expenditures for the Teach for Nebraska Summer Program to be conducted at the University of Nebraska at Kearney and the University of Nebraska at Omaha as provided in the bill. Transfers of \$1,000,000 for each of 2019-20 and 2020-21 from the Excellence in Teaching Cash Fund to the Teach for Nebraska (Cash) Fund would result in an equivalent reduction in funds available for expenditure by the Department of Education for the Attracting Excellence to Teaching Program and the Enhancing Excellence in Teaching Program which are currently supported by amounts which accrue to the Excellence in Teaching Cash Fund under current law.

2019-21 - Summary of LB650 estimated fiscal impacts:		<u>2019-20</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2020-21</u>
		<u>Expend</u>	<u>Revenue</u>	<u>Expend</u>	<u>Revenue</u>
Agency 13 – Department of Education:	Cash Fund	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Agency 48 – Coordinating Commission (CCPE)	Cash Fund	1,000,000	1,000,000	1,000,000	1,000,000
<i>Administer and disburse amounts from Teach for Nebraska Fund</i>					
Agency 51 – University of Nebraska	Cash Fund	990,000	990,000	990,000	990,000
<i>Receive & expend CCPE disbursements net estimate of CCPE administrative expense</i>					

For purposes of this fiscal note, it is also assumed that Sec. 10 (3) directs that for each of 2021-22 through 2029-30 (dates not specified), \$500,000 is to be transferred from the General Fund to the Teach for Nebraska (Cash) Fund. These transfers represent negative General Fund revenue and positive revenue for the Teach for Nebraska (Cash) Fund for each of the respective fiscal years.

2021-22 through 2029-30 Summary of LB650 fiscal impacts:		<u>Annual</u>	<u>Annual</u>
		<u>Expend</u>	<u>Revenue</u>
General Fund (transfers)	General Fund	NA	(500,000)
Agency 48 (CCPE) – Administer & disburse amounts for Teach for Nebraska Scholarships	Cash Fund	500,000	500,000

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 650 (Revised)	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education	
REVIEWED BY: Gary Bush	DATE: 02/01/19	PHONE: (402) 471-4161	
COMMENTS: No basis to disagree with the estimate of costs provided by the agency on the impact of the bill. The amounts identified for administrative costs appears to be reasonable. Because the bill is silent on the administrative costs that the agency would incur, an increase to agency General Fund appropriations would likely be needed.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 650 (Revised)	AM:	AGENCY/POLT. SUB: Dept. of Education	
REVIEWED BY: Gary Bush	DATE: 02/05/19	PHONE: (402) 471-4161	
COMMENTS: No basis to disagree with the estimate of costs provided by the agency on the impact of the bill.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 650	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Gary Bush	DATE: 02/07/19	PHONE: (402) 471-4161	
COMMENTS: The costs outlined appear to be high for running a six-week summer program for 85 students at the University of Nebraska – Kearney and University of Nebraska – Omaha. The use of two year-round program directors does not appear to be reasonable. LB650 creates the Teach for Nebraska Fund (which would be considered a cash fund) that would be administered by the Coordinating Commission for Post-Secondary Education (CCPE). The cash fund would receive an appropriation from the Excellence in Teaching Cash Fund (which is funded from lottery funds). CCPE would then reimburse the University campuses for the costs of running the summer program from the Teach for Nebraska Fund. The bill expresses intent for future Legislatures to appropriate \$500,000 of General Funds to the Teach for Nebraska Fund beginning in FY2021-22 until FY2029-30 to provide college scholarships to the participants of the summer program to earn a teaching degree.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 650 (Revised)	AM:	AGENCY/POLT. SUB: Nebraska State College System	
REVIEWED BY: Gary Bush	DATE: 02/04/19	PHONE: (402) 471-4161	
COMMENTS: No basis to disagree with the estimate of costs provided by the agency on the impact of the bill. A loss of grant funding for students may not result in a loss of revenue to the State Colleges unless the student does not attend a state college.			

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

2019

LB⁽¹⁾ 650 (amended)

FISCAL NOTE

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

Prepared by: ⁽³⁾ Gary Timm Date Prepared: ⁽⁴⁾ 1-31-19 Phone: ⁽⁵⁾ 402-471-0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>1,000,000</u>	_____	<u>1,000,000</u>	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>1,000,000</u>	_____	<u>1,000,000</u>	_____

Explanation of Estimate:

LB 650 creates two programs – Teach for Nebraska Summer Program and Teach for Nebraska Scholarship Program and identifies transfers of \$1 million from the Excellence in Teaching Cash fund for 2019-20 and 2020-21 and \$500,000 from the General fund for 2021-22 through 2029-30. The commission would be responsible for the administration of the program and estimates a .25 FTE and related phone (\$50/month), computer charges and fees (\$30/month), and audit-related travel expenses would be necessary to administer the program.

The Teach for Nebraska Summer Program would be offered at the University of Nebraska at Kearney (UNK) and the University of Nebraska at Omaha (UNO) only. It appears the commission’s responsibility with this program would be to provide reimbursement to UNK and UNO for the cost of the six-week course based on the number of high school students that attend and to review annual reports related to the program.

The Teach for Nebraska Scholarship Program provides financial aid to students that have successfully completed the Teach for Nebraska Summer Program and met eligibility requirements. It appears the commission’s responsibility with this program would be to process applications and determine eligibility of the student; distribute financial aid to the institution the student is attending; and review an institutions annual reports related to the program.

While the bill requires the commission to administer the programs, there is no explicit provision for paying administrative costs from the Teach for Nebraska Fund. The commission assumed any A bill would provide for administrative costs to be paid from the Teach for Nebraska Fund. If this is not the case, a General fund appropriation would be necessary for the estimated administrative costs of \$18,260 in 2019-20 and \$18,760 in 2020-21.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Financial Aid Assistant	<u>.25</u>	<u>.25</u>	<u>9,550</u>	<u>9,750</u>
Benefits.....	_____	_____	<u>6,750</u>	<u>7,050</u>
Operating.....	_____	_____	<u>960</u>	<u>960</u>
Travel.....	_____	_____	<u>1,000</u>	<u>1,000</u>
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	<u>981,740</u>	<u>981,240</u>
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>1,000,000</u>	<u>1,000,000</u>

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

2019

LB⁽¹⁾ 650 (This is a revised Fiscal Note)

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Kim Snyder/Karen Buller Date Prepared: ⁽⁴⁾ 2-1-19 Phone: ⁽⁵⁾ 402-471-4351

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	<\$1,000,000>	<\$1,000,000>	<\$1,000,000>	<\$1,000,000>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u><\$1,000,000></u>	<u><\$1,000,000></u>	<u><\$1,000,000></u>	<u><\$1,000,000></u>

Explanation of Estimate:

This bill reduces the amount of funds appropriated to the Department of Education from the lottery proceeds for the two Excellence in Teaching Act programs, the Attracting Excellence to Teaching Program and the Enhancing Excellence in Teaching Program, by \$1 million [79-8.137.02(2)]. The \$1 million would instead be appropriated to the Coordinating Commission for Postsecondary Education’s Teach for Nebraska Program Act.

This would reduce receipt and expenditures for NDE by \$1 million annually in Program 161-Education Innovation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			<\$1,000,000>	<\$1,000,000>
Capital improvements.....				
TOTAL.....				

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

2019

LB⁽¹⁾ 650 (Rev. Feb. 4 to reflect Cash vs. General funds)

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ February 4, 2019 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>

Explanation of Estimate:

The bill includes the Teach for Nebraska Summer Program to be conducted at UNK and UNO, and appropriates \$1,000,000 from Cash funds for that purpose. To keep the costs within the appropriation provided, the University is assuming 85 total students as the attendance limit.

Staffing for positions will vary depending on their involvement in planning leading up to the on campus event and the required effort to close the program down after the on campus event.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS (NOT FTE)</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Program Director	<u>2</u>	<u>2</u>	<u>111,100</u>	<u>111,100</u>
Instructors/Classroom Teacher	<u>10</u>	<u>10</u>	<u>243,800</u>	<u>243,800</u>
Content Specialist	<u>4</u>	<u>4</u>	<u>76,000</u>	<u>76,000</u>
Teaching Assistant	<u>7</u>	<u>7</u>	<u>42,100</u>	<u>42,100</u>
Activity Coordinator	<u>4</u>	<u>4</u>	<u>14,750</u>	<u>14,750</u>
Clerical/Administrative Staff	<u>2</u>	<u>2</u>	<u>24,000</u>	<u>24,000</u>
Resident Asst/Chaperone	<u>7</u>	<u>7</u>	<u>37,900</u>	<u>37,900</u>
Benefits.....			<u>153,900</u>	<u>153,900</u>
Operating.....			<u>267,800</u>	<u>285,800</u>
Travel.....				
Capital outlay.....			<u>23,250</u>	<u>5,250</u>
Aid.....			<u>5,400</u>	<u>5,400</u>
Capital improvements.....				
TOTAL.....			<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>

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

2019

LB⁽¹⁾ 650 (revised)

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy Date Prepared: ⁽⁴⁾ 01/29/2018 Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>Undetermined</u>	_____	<u>Undetermined</u>	_____

Explanation of Estimate:

LB650 would implement the Teach for Nebraska Act, which includes a summer program for high school students through the University of Nebraska at Kearney or the University of Nebraska at Omaha during FY2019-20 and FY2020-21. It also includes intent language for a scholarship program beginning in FY2021-22 through FY2029-30 for high school students who successfully complete the summer program and go on to major in education at a Nebraska postsecondary educational institution. Applicants interested in attending any of the Colleges of the NSCS would apply for a scholarship through the college financial aid offices, with applications then forwarded to the Coordinating Commission for Postsecondary Education. The NSCS does not anticipate any fiscal impact from processing any scholarship applications that result from the Act.

Funding for LB650 is from the Nebraska Lottery Funds, and the bill appears to take the \$1,000,000 annually for the Teach for Nebraska program from the current Attracting Excellence to Teaching Program (AETP) and the Enhancing Excellence in Teaching Program (EETP). These two programs provide forgivable loans to undergraduate and graduate education majors in targeted areas of need. Preliminary analysis shows that Chadron, Peru and Wayne State Colleges will lose approximately \$100,000 in annual funding for current and future education majors under LB650. These two programs have been successful at placing teachers in the state following graduation, and specifically in high need areas in rural school districts served by the Nebraska State College System. It is difficult to predict at what point the loss of these funds will prevent a student from starting or continuing their postsecondary education. While we are able to estimate the impact to students of the NSCS, it is difficult to predict the fiscal impact to the NSCS.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____

Capital outlay.....
Aid.....
Capital improvements.....
TOTAL.....

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____