

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS	See below		See below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

The Nebraska Opportunity Grant Act provides for a program of postsecondary student financial aid administered by the Coordinating Commission for Postsecondary Education. Given the level of funds appropriated for the program each year, Sec. 85-1912 provides for computation of an annual “target level” of funds to be distributed to students at each eligible Nebraska postsecondary educational institution. LB491 amends Sec. 85-1912 and other sections of the act (i.e. 85-1903 and 85-1909). The effect of these changes will be to alter distribution of amounts appropriated for the Nebraska Opportunity Grant Program. In its fiscal note response, the Coordinating Commission for Postsecondary Education compares the distribution of Nebraska Opportunity Grant student aid by eligible postsecondary institution for 2012-13 versus the agency’s estimate of this distribution had the provisions of LB491 been in effect for 2012-13. The agency’s estimated comparison appears reasonable. Summarizing the agency’s estimates by postsecondary education sector yields the following comparison:

	2012-13 Estimated LB 491 Allocations	2012-13 Actual Allocations	\$ Difference LB 491 vs. Current Law	% Difference LB 491 vs. Current Law
<u>Nebraska Opportunity Grant Program</u>				
University of Nebraska – Systemwide	5,812,589	6,633,642	(821,053)	(12.4%)
Nebraska State Colleges – Systemwide	896,960	987,719	(90,759)	(9.2%)
Community Colleges – Systemwide	<u>2,068,673</u>	<u>2,668,007</u>	<u>(599,334)</u>	<u>(22.5%)</u>
Subtotal: Public Institutions	8,778,222	10,289,368	(1,511,146)	(14.7%)
Private Career Colleges – (For Profit)	2,041,191	1,915,261	125,930	6.6%
Independent Colleges – (Non Profit)	<u>4,403,571</u>	<u>3,018,355</u>	<u>1,385,216</u>	<u>45.9%</u>
TOTAL	<u>15,222,984</u>	<u>15,222,984</u>	<u>0</u>	<u>0.00%</u>

<u>Sources of Funds</u>	2012-13 Allocations
General Fund	6,418,154
Dedicated Lottery Receipts (Cash Fund)	<u>8,804,830</u>
	<u>15,222,984</u>

While LB491 would impact the distribution of amounts appropriated for the Nebraska Opportunity Grant Program, the bill would not directly impact the level of funds appropriated for the program. The level of related appropriations would remain at the discretion of the Legislature.

If LB491 were to be enacted, the Coordinating Commission indicates that existing rules and regulations for the Nebraska Opportunity Grant Program will require revision. The agency estimates it would incur nominal public hearing costs (approximately \$800 General Fund) associated with adoption of related revised rules and regulations should the bill become law. This estimate appears reasonable.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 491	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Cindy Miserez		DATE: 2/8/2013	PHONE: 402-471-4174
COMMENTS: I concur with the analysis and conclusions of the University of Nebraska's regarding the fiscal impact to the University system. The base appropriation for the Nebraska Opportunity Grant Program does not change, however the University will receive less grant funds than in previous years.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 491	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education	
REVIEWED BY: Cindy Miserez		DATE: 1/30/2013	PHONE: 402-471-4174
COMMENTS: Concur with Coordinating Commission for Postsecondary Education's statement of fiscal impact.			

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

2013

LB⁽¹⁾ 491 FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ February 7, 2013 Phone: ⁽⁵⁾ 402-472-2191

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	_____	<u>(\$800,000)</u>	_____	<u>(\$800,000)</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>(\$800,000)</u>	<u>_____</u>	<u>(\$800,000)</u>

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

Explanation of Estimate:

According to the information provided by the Coordinating Commission, the change would have resulted in lost revenue of about \$800,000. This is aid that would not be available to students.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2013

LB⁽¹⁾ 491 FISCAL NOTE

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

Prepared by: (3) Carna Pfeil Date Prepared: (4) January 29, 2013 Phone: (5) 402-471-0029

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	<u>See Below</u>	<u>0</u>	<u>See Below</u>	<u>0</u>
CASH FUNDS	<u>See Below</u>	<u>0</u>	<u>See Below</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u>See Below</u>	<u>0</u>	<u>See Below</u>	<u>0</u>

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

Explanation of Estimate:

The fiscal impact for Commission operations would be minimal – rewrite of the rules and regulations, hearing, and miscellaneous items, for a total of \$787.55

Attached is an estimate of the distribution of NOG dollars if this bill were in effect for the 2012-13 fiscal year.

The major fiscal impact would affect the distribution of state aid dollars (general funds and lottery/cash funds) to the various institutions. The most dramatic negative fiscal impact (-22.5%) would be for the students at the Nebraska Community Colleges – all negative, ranging from 16.2% to 27.1%. The students at the Independent, nonprofit institutions would have the most dramatic positive fiscal impact (+45/9%) with institutions ranging from a positive 11.5% to 118.2%. See the attached document identifying the changes that would have occurred if the current distribution (column 3) had been allocated based on the directives of LB 491(column 2).

The Medical Center’s students would experience a 130.9% increase in aid dollars due to the fact that a majority of their degrees are at the doctoral and master’s level. None of the doctoral or master’s degree students qualify for the NOG funds. The dramatic negative shift in NOG dollars for the community colleges’ students is based on the fact that the community colleges offer only associate degrees, certificates, and diplomas. Those degree levels in LB 491 only receive a 0.50 or 0.25 weighting while doctorate and master’s degrees receive a 1.5 and 1.25 weighting, respectively.

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>
Financial Aid Coordinator	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Benefits.....			<u>0</u>	<u>0</u>
Operating.....			<u>0</u>	<u>0</u>
Travel.....			<u>0</u>	<u>0</u>
Capital outlay.....			<u>0</u>	<u>0</u>
Aid.....			<u>See above & attached chart</u>	<u>See above & attached chart</u>
Capital improvements.....			<u>0</u>	<u>0</u>

TOTAL.....

See above &
attached chart

See above &
attached chart

Review of 2012-2013 Allocations if LB491 Had Been Law

	Proposed LB491 Allocations	2012-13 Allocations		Difference
UNIVERSITY OF NEBRASKA:				-12.4%
UNK	\$ 805,537	\$1,006,460	-20.0%	
UNL	\$ 2,783,974	\$3,170,928	-12.2%	
UNMC	\$ 351,424	\$152,228	130.9%	
UNO	\$ 1,837,139	\$2,256,960	-18.6%	
NCTA-Curtis	\$ 34,515	\$47,066	-26.7%	
STATE COLLEGES:				-9.2%
Chadron	\$ 257,955	\$290,833	-11.3%	
Peru	\$ 200,554	\$193,353	3.7%	
Wayne	\$ 438,451	\$503,533	-12.9%	
COMMUNITY COLLEGES:				-22.5%
Central	\$ 350,155	\$426,096	-17.8%	
Metropolitan	\$ 688,313	\$943,711	-27.1%	
Mid-Plains	\$ 117,896	\$140,645	-16.2%	
Northeast	\$ 254,870	\$316,368	-19.4%	
Southeast	\$ 537,271	\$678,512	-20.8%	
Western Nebraska	\$ 120,168	\$162,675	-26.1%	
PRIVATE CAREER COLLEGES:				6.6%
Capitol Schools of Hairstyling	\$ 70,802	\$68,061	4.0%	
College of Hair Design	\$ 95,669	\$87,627	9.2%	
Creative Center	\$ 43,639	\$36,628	19.1%	
ITT Educational Services, Inc.	\$ 231,161	\$215,403	7.3%	
Joseph's Colleges of Beauty	\$ 132,409	\$125,346	5.6%	
Kaplan University - Lincoln	\$ 326,170	\$304,772	7.0%	
Kaplan University - Omaha	\$ 462,485	\$428,385	8.0%	
La'James College	\$ 24,130	\$23,076	4.6%	
Omaha School of Massage and Hea	\$ 127,781	\$122,195	4.6%	
Vatterott College - credit hrs	\$ 412,320	\$396,535	4.0%	
Xenon International School of Hair	\$ 114,625	\$107,233	6.9%	
INDEPENDENT COLLEGES:				45.9%
Bellevue University	\$ 1,048,448	\$549,792	90.7%	
BryanLGH College of Health Science	\$ 115,287	\$99,294	16.1%	
Clarkson College	\$ 190,661	\$157,578	21.0%	
College of Saint Mary	\$ 247,943	\$198,954	24.6%	
Concordia University	\$ 203,199	\$134,892	50.6%	
Creighton University	\$ 624,277	\$286,067	118.2%	
Doane College	\$ 557,052	\$419,970	32.6%	
Grace University	\$ 80,119	\$63,246	26.7%	
Hastings College	\$ 221,927	\$184,925	20.0%	
Little Priest Tribal College	\$ 11,515	\$16,475	-30.1%	
Midland University	\$ 269,415	\$226,366	19.0%	
Nebraska Christian College	\$ 25,957	\$22,343	16.2%	
Nebraska Methodist College	\$ 146,091	\$116,373	25.5%	
Nebraska Wesleyan University	\$ 390,902	\$309,935	26.1%	
Union College	\$ 191,892	\$161,380	18.9%	
York College	\$ 78,886	\$70,765	11.5%	

Review of 2012-2013 Allocations if LB491 Had Been Law