

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			See below	16,290,000
FEDERAL FUNDS				
OTHER FUNDS				(16,290,000)
TOTAL FUNDS			See below	-0-

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

LB584 directs that \$16,290,000 be transferred from the Cash Reserve Fund to the Dental Clinic and Educational Facility Grant Fund which is newly created by the bill and is to be administered by the Coordinating Commission for Postsecondary Education (CCPE). The specified transfer is to occur on or before July 1, 2016. For purposes of this fiscal note, the transfer is assumed to occur July 1, 2016 (FY2016-17). The transfer from the Cash Reserve Fund is reflected as a reduction to "Other Fund" revenue in the table above. Correspondingly, the transfer to the newly created grant fund is reflected as an increase in 2016-17 "Cash Fund" revenue in the above table.

The bill provides that the Dental Clinic and Educational Facility Grant Fund is to be used to provide a one-time grant for construction of a dental clinic and oral health training facility to serve the public health needs of Nebraska residents. Additionally, the bill identifies grant eligibility criteria and a grant application process. Specified grant eligibility criteria appear to require a grant applicant to identify matching funds from other sources on a four-to-one ratio with the grant from the Dental Clinic and Educational Facility Grant Fund. Other than an indication that these other sources may include private sources, they are not expressly identified and are therefore unknown and not specifically addressed in this fiscal note.

CCPE estimates that its administrative duties as assigned by LB584 would necessitate a .25 FTE grant administrator to develop a grant application, review applicant submissions, and monitor compliance with grant terms subsequent to award of a grant. The agency assumes the position would no longer be necessary upon final review of compliance with grant terms. It would appear that related costs could be met with amounts from the Dental Clinic and Educational Facility Grant Fund, i.e. from interest on the invested balance of the fund prior to its depletion through disbursement or disbursements from the fund for a related grant award. Given that the grant fund is to be used to provide a one-time grant for a construction project, grant disbursements may occur in installments over more than one fiscal year. Reliance on the grant fund to meet related administrative costs coupled with the timing of the directed transfer from the Cash Reserve Fund to the grant fund would impact the timing of the related grant application, award and administration processes.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 584	AM:	AGENCY/POLT. SUB: Coordinating Comm. for Postsecondary Educ.	
REVIEWED BY: Lyn Heaton		DATE: 2/26/2015	PHONE: 471-4181
COMMENTS: No post grant award monitoring duties or mechanism(s) to enforce compliance or punish non-compliance are established for the Commission in the bill as introduced. Absent establishment of post grant award enforcement duties by the Legislature, the Commission's estimate that the bill will require a 0.25 FTE Grant Administrator does not appear to be supported by the bill.			

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

2015

LB⁽¹⁾ 584

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Coordinating Commission for Postsecondary Education

Prepared by: ⁽³⁾ Gary Timm

Date Prepared: ⁽⁴⁾ 1/29/15

Phone: ⁽⁵⁾ 471-0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$16,875		\$17,375	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$16,875	\$0	\$17,375	\$0

Explanation of Estimate:

LB584 creates a one-time grant program for the construction of a dental clinic and oral health training facility. The Commission would administer the fund. In order for an applicant to be considered eligible for this grant, the plan must include certain assurances such as providing \$4 of private money for every \$1 of state funding, educating at least 100 students annually, and providing charitable or discounted oral health care in at least five different counties throughout Nebraska.

In order to meet the administrative duties of the grant, the Commission believes that a monitoring program of the grant terms would be required. The Commission estimates a .25 FTE Grant Administrator would be necessary to write the grant application and review applicant submissions to insure the terms of the grant were met. Once the grant has been awarded, the Grant Administrator duties would transition to monitoring compliance with grant requirements, including those noted above. The Commission anticipates once the facility has been completed and final review of compliance with the grant terms are completed, this position would no longer be necessary.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Grant Coordinator	.25	.25	\$12,500	\$12,875
Benefits.....			\$4,375	\$4,500
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$16,875	\$17,375