

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	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.**

LB565 expresses intent to appropriate the following amounts to the Coordinating Commission for Postsecondary Education (CCPE):

	<u>2015-16</u>	<u>2016-17</u>
General Fund	3,000,000	3,000,000
Health Care Cash Fund	1,000,000	1,000,000
Job Training Cash Fund	<u>1,000,000</u>	<u>1,000,000</u>
	5,000,000	5,000,000

Amounts are to be distributed by CCPE for the purpose of providing financial support for training and education programs in high-need fields as defined in the bill. Amounts are to be distributed to public and private nonprofit two-year and four-year postsecondary educational institutions who are to act as agents of CCPE to ultimately distribute the amounts as aid to students enrolled in high needs fields. Amounts are to be distributed to the institutions in proportion to the number of certificates, awards and degrees awarded by the respective institutions in high needs fields during the preceding fiscal year. The bill authorizes CCPE to adopt rules and regulations to carry out these provisions.

Although LB565 expresses intent to appropriate specified amounts from the respective funds as noted in the table above, related appropriations would apparently be at the discretion of the Legislature.

CCPE estimates costs associated with administrative duties assigned to the agency by LB565 at \$6,675 for 2015-16 and \$4,580 for 2016-17. Estimated costs relate to promulgation of rules and regulations, developing and testing a mechanism to compile data and compute distribution of aid appropriation amounts and staff to perform related duties (equivalent of .05 FTE). The agency's estimate appears reasonable.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 565	AM:	AGENCY/POLT. SUB: Dept. of Economic Development
REVIEWED BY: Gary Bush	DATE: 2/13/15	PHONE: 471-4161
COMMENTS: Agree with the agency's estimate of impact to implement the provisions of the bill. A reduction in the Job Training Cash Fund would reduce the amount of funding available for job training programs offered in the state for two fiscal years.		

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 565	AM:	AGENCY/POLT. SUB: Dept. of Health and Human Services
REVIEWED BY: Gary Bush	DATE: 2/27/15	PHONE: 471-4161
COMMENTS: Concur.		

<a href="#">ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</a>		
LB: 565	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education
REVIEWED BY: Gary Bush	DATE: 2/5/15	PHONE: 471-4161
COMMENTS: No basis to disagree with the estimate of impact provided.		



**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Mason

Date Prepared:(4) 2-26-15

Phone: (5) 471-0676

	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$0	\$0	\$0	\$0

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

**Explanation of Estimate:**

It is the intent of the Legislature to appropriate \$3 million from GF, \$1 million from the Health Care Cash Fund and \$1 million from the Job Training Cash Fund for each of the fiscal years 15/16 & 16/17 to the Coordinating Commission for Postsecondary Education to provide financial support for training & education programs in high-need fields to public and private nonprofit two-year and four-year postsecondary education institutions in Nebraska. The commission will distribute the funds to the postsecondary educational institutions that will distribute the funds to students. The high-need fields are: construction trades; transportation, warehousing, and distribution logistics; science, technology, engineering, and mathematics (STEM) education; health care and health services; business administration; and teacher education.

There is no fiscal impact to the Department of Health and Human Services.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
		15-16	16-17	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
<b>TOTAL.....</b>				<b>\$0</b>	<b>\$0</b>

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**2015**

**LB<sup>(1)</sup> 565**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Coordinating Commission for Postsecondary Education

Prepared by: <sup>(3)</sup> Gary Timm

Date Prepared: <sup>(4)</sup> 1/28/15

Phone: <sup>(5)</sup> 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	\$6,675		\$4,580	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$6,675</b>	<b>\$0</b>	<b>\$4,580</b>	<b>\$0</b>

**Explanation of Estimate:**

LB 565 creates a new financial aid program for students studying in high-need fields and attending a public or private nonprofit two- or four-year postsecondary institution in Nebraska. While the administration of this program would be similar to a current aid program administered by the Commission, the students eligible for this program are different and would require a separate award process. This would necessitate the Commission write rules and regulations for operation of this program. One-time costs for rules and regulations - \$500 for notice of hearing in the Omaha World-Herald, \$200 for travel for two Commissioners to hold the public hearing, and \$100 for copies and staff travel.

The Commission would need to write a new distribution formula, run a pilot of the new formula, and create a new database to monitor distributions. The method used by the Commission for a similar program requires institutions to submit eligible students to the Commission for approval through an on-line submission process. Once all institutions have submitted their eligible students, the Commission runs the distribution formula and makes payment to the institutions. The cost of writing and testing a new formula plus monitoring the database is estimated to be \$2,000 the first year and \$500 each subsequent year.

Administrative duties associated with this program include a twice per year distribution of funds to eligible public and private nonprofit institutions participating in the program, review and approval of eligible students submitted by the institutions, and on-site audits of student financial aid files. The Commission estimates a .05 FTE would be necessary to perform these additional duties.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
Financial Aid Coordinator	.05	.05	\$2,500	\$2,650
Benefits.....			\$875	\$930
Operating.....			\$2,800	\$500
Travel.....			\$500	\$500
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$6,675</b>	<b>\$4,580</b>