

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB62 amends several sections, creates the Access College Early Scholarship Cash Fund, and changes the provisions related to the Nebraska Improvement Fund, the Nebraska Opportunity Fund, and the Community College Gap Assistance Program Fund.

The Access College Early Scholarship Cash Fund will be administered by the Coordinating Commission for Postsecondary Education (CCPE) and will consist of money received pursuant to §9-812 and any money appropriated by the Legislature. The CCPE will use the fund to carry out the Access College Early Scholarship Program Act. Any money in the fund available for investment will be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Current Statute §9-812.4(a-f) - Distribution of 44.5% of lottery funds FY2016-17 through 2020-21:

- 62% - Nebraska Opportunity Grant Fund
- 17% - Department of Education Innovative Grant Fund
- 9% - Community College Gap Assistance Program Fund
- 8% - Excellence in Teaching Cash Fund
- 3% - Distance Education Incentives through Nebraska Education Improvement Fund §79-1337(1)
- 1% - Expanded Learning Opportunity Grant Fund

LB62 changes the distribution of the 44.5% of lottery funds for FY 2021-22 through FY 2026-27 to:

- 62% - Nebraska Opportunity Grant Fund
- 31% - Nebraska Education Improvement Fund
 - Until the Legislature directs otherwise
- 4.5% - Community College Gap Assistance Program Fund
- 2.5% - Access College Early Scholarship

LB 62 does not result in additional revenue for educational programs overall, but rather changes the allocation between cash funds. With the reduction of the Community College Gap Assistance Program Fund from 9% to 4.5%, CCPE estimates that the funds being transferred in will be reduced by \$800,000.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	62	AM:	AGENCY/POLT. SUB: Nebraska Department of Education
REVIEWED BY:	Gary Bush	DATE:	1/12/21 PHONE: (402) 471-4161
<p>COMMENTS: Unable to provide comment on fiscal impact as no fiscal impact was provided by the agency. The provisions of the bill would provide new cash funding to the Access College Early Scholarship program, decreased funding to the Community College Gap Assistance program, and no change to the funding for Nebraska Opportunity Grant program.</p> <p>The impact to the Department of Education would be a reduction in funding for the agency's programs because funding for these programs ends on June 30,2021 and there is no direction to continue the existing funding for these programs in LB 62.</p>			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	62	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY:	Gary Bush	DATE:	2/26/21 PHONE: (402) 471-4161
COMMENTS: Agree with the agency's estimate of no fiscal impact to the agency.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	62	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education
REVIEWED BY:	Gary Bush	DATE:	1/14/21 PHONE: (402) 471-4161
COMMENTS: Agree with the method used by the agency when determining the fiscal impact. However, the level of funding that is likely to be available from lottery funds is than the \$13,800,000 assumed by the agency.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	62	AM:	AGENCY/POLT. SUB: Auditor of Public Accounts
REVIEWED BY:	Gary Bush	DATE:	1/19/21 PHONE: (402) 471-4161
COMMENTS: Agree with the agency's estimate of no fiscal impact to the agency.			

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

2021

LB⁽¹⁾ 62

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/8/21 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 62 changes the distribution of the lottery fund directed to the Nebraska Education Improvement Fund for fiscal years 2021/22 through 2026/27.

The Nebraska Education fund receives around \$18.5 million a year with the current breakdown as follows:

- 1% Expanded Learning Opportunity Grant
- 17% Innovative Grant Fund
- 9% Community College Gap Assistance Program
- 8% Excellence in Teaching program
- 62% Nebraska Opportunity Grant
- 3% Distance Education Incentive

LB 62 changes the distribution as follows:

- 2.5% Access College Early Scholarship
- 4.5% Community College Gap Assistance
- 62% Nebraska Opportunity Grant

The rest is retained in the fund until directed otherwise by Legislature.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 62

FISCAL NOTE

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

Prepared by: ⁽³⁾ Gary Timm Date Prepared: ⁽⁴⁾ 1/12/21 Phone: ⁽⁵⁾ 402.471.0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>13,800,000</u>	<u>13,000,000</u>	<u>13,800,000</u>	<u>13,000,000</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>13,800,000</u>	<u>13,000,000</u>	<u>13,800,000</u>	<u>13,000,000</u>

Explanation of Estimate:

LB 62 redistributes the percentage transferred from lottery proceeds for education purposes and does not provide any new overall funding for education purposes. Any new or increased transfers to one fund will be offset by reduced transfers from another fund. LB 62 allocates 69% to specific funds with the remaining 31% retained in the Education Improvement Fund until the Legislature directs.

The Coordinating Commission for Postsecondary Education (Commission) administers three financial aid programs, 1) the Nebraska Opportunity Grant (NOG) program, which provides financial aid to low-income, Nebraska undergraduates at postsecondary institutions, 2) the Community College Gap Assistance (Gap) program, which provides financial aid to low-income, Nebraska residents enrolled in non-Pell eligible programs in high-need fields, and 3) the Access College Early (ACE) program, which provides financial aid to low-income, Nebraska high school students taking dual credit courses.

Beginning in fiscal year 2021-22, LB 62, Sec 1 reduces the percentage transferred from the Education Improvement Fund to the Gap fund from 9% to 4.5% or approximately \$800,000. However, the existing cash fund balance would be sufficient to maintain the current level of spending through fiscal year 2026-27 and therefore no decrease in expenditures was included above.

Also beginning in fiscal year 2021-22, LB 62, Sec 1 transfers approximately \$500,000 in funding from the Education Improvement Fund to the ACE program, providing financial aid to low income students to take an additional 1,900 dual credit courses. The commission believes the current level of administrative appropriations would be sufficient for the expected increase in student applications and awarding of additional financial aid dollars. However, cash fund spending authority of \$500,000 would be needed to expend these additional dollars.

Neb. Rev. Stat. 9-812 provides for transfers from the Nebraska Education Improvement Fund through fiscal year 2020-21 to various funds including two financial aid program funds administered by the commission – the Nebraska Opportunity Grant fund (\$11.6 million) and the Community College Gap Assistance Program fund (\$1.7 million) for a total of \$13.3 million. Beginning July 1, 2021, current law would no longer provide for funds to be transferred to the commission's financial aid program funds. LB 243 extends the 2020-21 sunset date through 2026-27.

	<u>EXPENDITURES</u>	<u>REVENUE</u>
Extend sunset date of transfers	\$13,300,000	\$13,300,000
Decrease in Gap transfers with no decrease in expenditures	\$0	\$(800,000)
New transfer to ACE with corresponding increase in expenditures	\$500,000	\$500,000
TOTAL FUNDS	<u>\$13,800,000</u>	<u>\$13,000,000</u>

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			13,800,000	13,000,000
Capital improvements.....				
TOTAL.....			<u>13,800,000</u>	<u>13,000,000</u>

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

2021

LB⁽¹⁾ 62

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Auditor of Public Accounts

Prepared by: ⁽³⁾ Mary Avery Date Prepared: ⁽⁴⁾ 1/15/21 Phone: ⁽⁵⁾ 402-471-3686

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 62, as currently written, relates to Lottery revenue allocations.

Any work necessary will be absorbed using the existing appropriations of Agency 010, Auditor of Public. At this time, there would be no additional fiscal impact to Agency 010-Auditor of Public Accounts.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____