

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$79,364	\$5,500	\$35,228	\$5,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$79,364	\$5,500	\$35,228	\$5,500

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

LB 650 provides for teacher certificates to be issued by the State Board of Education to: persons with doctoral degrees, in their subject area of study; individuals holding a teaching certificate issued by a national or regional educator credentialing agency; persons with teaching certificates from another state; persons who complete an alternative certification program approved by the board; or to individuals who have at least two years of teaching experience at the postsecondary level. Individuals must pass an appropriate subject matter area examination to be issued a certificate and submit to a criminal history record check. Applicants pay the cost of the record check.

It is assumed the individuals described above will be issued an adjunct teaching certificate pursuant to the bill. The certificate will be valid for five years and shall only be used for a part-time teaching position. The certificate is renewable if the applicant has satisfactory performance evaluations.

Expenditures: NDE will contract for a .5 Education Specialist in FY18 and a .25 Education Specialist in FY19 to implement the requirements of the bill. The department indicates that rules and regulations will need to be revised and guidelines will need to be developed to implement the new certificates. There will be computer programming expenses of \$9,600 in FY18 and \$4,800 in FY19 to reflect the new certificates and information on subject matter testing and satisfactory performance evaluations of applicants. The estimated costs for the department to implement the bill are \$79,364 of cash funds in FY18 and \$35,228 in FY19.

It is assumed that existing subject matter tests will be used to establish eligibility for the new certificates and NDE will not be required to develop subject matter exams.

Revenues: The bill does not establish a specific fee for an adjunct certificate, so it is assumed individuals will pay the normal \$55 fee for a teaching certificate. Forty-two dollars of the fee is placed in the Teacher Certification Cash Fund and \$13 is deposited in the Professional Practices Commission Cash Fund. NDE estimates there may be 100 persons who apply for an adjunct certificate each year. Using this assumption, the annual increase in revenue for the Teacher Certification Cash Fund will be \$4,200 and for the Professional Practices Cash Fund will be \$1,300.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 650	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: James Van Bruggen	DATE: 2/10/17	PHONE: (402) 471-4179
COMMENTS: The Department of Education's estimate appears reasonable.		

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

2017

LB⁽¹⁾ 650 REVISED

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Education – Adult Program Services

Prepared by: ⁽³⁾ Sharon Katt Date Prepared: ⁽⁴⁾ 2.8.17 Phone: ⁽⁵⁾ 402.471.2405

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$76,164	\$5,500	\$35,228	\$5,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$76,164	\$5,500	\$35,228	\$5,500

Explanation of Estimate:

LB650, as drafted, raises numerous questions related to implementation. It references an appropriate subject area examination for certification which we interpret to mean the content area exams already authorized by the Board in 92 NAC 24 for purposes of placing an endorsement on a Nebraska certificate. The Bill, as drafted in Section 1, creates an additional certificate which is obtained after passage of the appropriate subject area examination AND upon meeting (1)-(6). In Section 2, a new adjunct teaching certificate is created. As such, the new certificates will require significant Rule revisions and updates to the Teacher Certification technology system, and the addition of professional staff to examine individual applicant qualifications for determination of eligibility for the proposed certificates and subsequent renewal.

The Fiscal Note includes: Ed Specialist III (.5 in 17-18 and .25 in 18-19): **17-18**--Develop structures, guidelines, resources and systems to implement new certificates; create public information tools; and Rule development/revision. **18-19**-- Continue to manage the specifics of issuance/renewal of these certificates. Contractual **17-18**--Teacher Certification System programming (120 @ \$80.00/hour=\$9,600); Contractual **18-19**--continuing programming (60 hours @ \$80.00/hour=\$4,800); Publication/Printing includes Rule development. Other costs based on NDE Costing Guidelines.

NOTE: The Fiscal Note DOES NOT include costs for development of any additional tests; therefore, if the intent is to create a high-stakes certification test, as opposed to the existing content tests for placement of an endorsement, we estimate additional cost to be approximately \$900,000 which is based on previous NDE test development. This estimate includes development of a minimum of two forms of the test, fairness/bias, validity and reliability studies.

Revenue – 100 individuals per year @ \$55.00=\$5,500

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Education Specialist III	.5	.25	30,096	15,198
Benefits.....			16,919	8,966
Operating.....			15,324	9164
Travel.....			3,675	1,775

Capital outlay	<u>10,150</u>	<u>125</u>
Aid		
Capital improvements		
TOTAL	<u>\$76,164</u>	<u>\$35,228</u>