

Updated for the 2020 session. Update reflects any amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	# See below		# See below	
CASH FUNDS				
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.

LB563 would implement the Access College Early (ACE) Tech Promise Program under which financial aid is to be awarded to students that meet eligibility criteria as specified in the bill. Students who have been awarded or qualified for scholarships under the existing Access College Early (ACE) Scholarship Program and enroll in an in-demand occupation program of study (as determined each biennium by Nebraska Community College Student Performance and Occupational Education Grant Committee) would be eligible to receive scholarships under the proposed program. The bill assigns administrative responsibility for the newly created financial aid program to the Coordinating Commission for Postsecondary Education (CCPE).

LB563 establishes both maximum and minimum levels of financial aid that may be awarded to individual qualifying students under the proposed ACE Tech Promise Program. Awards are not to exceed the sum of tuition and fees plus \$1,500 minus the amount of any federal Pell grant awarded to a qualifying student. The minimum award under the program is established at \$1,500. Eligible students are to receive awards for no more than two academic years.

Based on data relating to 2015-16 and 2016-17 ACE Scholarship recipients, and utilizing assumptions with respect to the number of such students that would qualify and apply for ACE Tech Promise Scholarships, CCPE estimates required funding for related financial aid would amount to \$225,000 for 2020-21 and \$406,500 for 2021-22 based upon the minimum ACE Tech Promise Scholarship amount as provided in LB563. Additionally, CCPE indicates the agency will incur operating expenses in administering the ACE Tech Promise Program primarily to support a 0.5 FTE staff position to administer the newly created program. In summary, CCPE estimates funding requirements, given assumptions as noted above, for the proposed ACE Tech Promise Program as follows:

	<u>2020-21</u>	<u>2021-22</u>
Financial aid assuming minimum scholarship amounts:	244,000 #	406,500 #
Personnel expense for 0.5 FTE staff position:	32,600	33,600
Non-personnel operating expenses:	<u>10,960 +</u>	<u>960</u>
	<u>287,560 #</u>	<u>441,060 #</u>

Given the agency's assumptions as noted above (particularly as they relate to student aid awards based on the minimum level as provided by LB563), the Coordinating Commission estimates with respect to the fiscal impact of LB563 generally appear reasonable. Student aid awards at or approaching the maximum level as provided by LB563 would require additional aid funding. Appropriations at levels insufficient to satisfy all ACE Tech Promise aid applications at the designated minimum aid level for a given fiscal year would require CCPE to reject aid applications received after depletion of related appropriations for that fiscal year. Insofar that no alternative source of funding is designated in the provisions of LB563, the source of funding for the proposed program is assumed as General Funds.

+ Includes one-time \$10,000 estimated outlay to repurpose a web base application to allow students to apply for financial aid and for the Coordinating Commission to determine student eligibility.

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2020

LB⁽¹⁾ 563 (2020 update) v.2

FISCAL NOTE

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

Prepared by: ⁽³⁾ Gary Timm Date Prepared: ⁽⁴⁾ 3-2-20 Phone: ⁽⁵⁾ 402-471-0020

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>287,560</u>	_____	<u>441,060</u>	_____

Explanation of Estimate:

LB 563 creates the Access College Early Tech Promise Program that provides financial aid to college students that had been awarded or qualified for Access College Early scholarships for dual credit courses while in high school. To be eligible, the student must attend any Nebraska community college, any tribally controlled community college in Nebraska, or the Nebraska College of Technical Agriculture in Curtis and enroll in an approved in-demand occupation as determined by the Nebraska Community College Student Performance and Occupational Education Grant Committee. The commission would be responsible for the administration of the program and estimates a 0.5 FTE and related phone (\$50/month) and computer charges and fees (\$30/month) would be necessary to administer the program.

Financial aid awards are not to exceed tuition and fees plus \$1,500 less any Federal Pell grant and are not to be less than \$1,500. Current students receiving grants from the Access College Early program in the career and technical education areas of health occupations, information systems/technology, construction, agriculture, welding, automotive technology, and advanced manufacturing were used to estimate the potential number of students in the cost estimate below.

In the first year, 150 students will receive the minimum award of \$1,500 (\$225,000) and 38 of those students whose Pell grant was insufficient to pay all of the tuition and fees will also receive an additional \$500 (\$19,000), for a first year total of \$244,000. In the second and following years, 150 new students will receive a total of \$244,000 as calculated above and 100 students from the previous year will receive the minimum award of \$1,500 (\$150,000) and 25 of those students whose Pell grant was insufficient to pay for tuition and fees will also receive an additional \$500 (\$12,500), for a second year total of \$406,500 (\$244,000+\$150,000+\$12,500). In addition to the cost of a 0.5 FTE, an estimated \$10,000 would be necessary to contract with OCIO for programming costs to repurpose a web based application to allow students to apply for the grant and for CCPE to determine student eligibility.

No funding source has been identified for this program, therefore only the total amount is included above.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Occupational Education Specialist	0.5	0.5	19,100	19,500
Benefits.....			13,500	14,100
Operating.....			10,960	960
Travel.....				
Capital outlay.....				
Aid.....			244,000	406,500
Capital improvements.....				
TOTAL.....			287,560	441,060