

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 10, 2023

Agency Submitting: Nevada System of Higher Education

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
NSHE System Administration - Personnel (Expense)		\$95,040	\$98,842	\$197,684
NSHE System Administration - Student Loan Expenses (Expense)		\$1,878,640	\$11,863,558	\$23,727,116
University of Nevada Reno, Personnel (Expense)		\$210,000	\$210,000	\$420,000
Total	0	\$2,183,680	\$12,172,400	\$24,344,800

Explanation

(Use Additional Sheets of Attachments, if required)

The Nevada System of Higher Education has reviewed the proposed legislation and has determined that there would be a significant fiscal impact to NSHE if implemented. First, NSHE System Administration anticipates both personnel and operating related expenses to administer the Teacher Academy College Pathway loan program and coordinate with participating campuses. Additionally, the University of Nevada, Reno estimated a fiscal impact related to personnel costs in the form of stipends paid to high school teachers and UNR faculty course coordinators to teach four 3 credit dual credit education courses at each of the 21 high schools UNR serves. The attached Exhibit provides a breakdown of those costs for NSHE System Administration and UNR.

While Nevada State College, UNLV, CSN, and GBC also anticipate additional expenses related to program operations and staffing, stipends for faculty mentors, and space needed to create and maintain the Teacher academies, they were unable to provide any cost estimates at this time.

Name Tillery Williams
Title Director of Community Engagement, Equity, and Inclusion

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, March 31, 2023

The agency's response appears reasonable.

Name Amy Stephenson
Title Director

NSHE System Administration Teacher Academy College Pathway Loan Program

NSHE System Administration’s personnel expense is based on a full-time professional position, NSHE grade C, Q1 for 2023-24, with a 4% increase based on the Governor's recommended budget in 2024-25. The position would be needed to oversee the loan program and coordinate with participating campuses.

Student loan program expense is based on the following assumptions:

1. To provide an estimate, NSHE utilized the number of students participating in the Nevada State College Teacher Academy Pathway Program during Fall 2022 (306 students). Assuming 75% of these students (230) graduate in Spring 2023 and enroll in 30 credits at an NSHE institution in the 2023-24 academic year, the potential cost of a loan for each student averages \$8,168 for the academic year (registration and mandatory fees at UNLV \$9,142; UNR \$8,992; and GBC upper division or NSC \$6,368) for a total of \$1,878,640 in FY 24.
2. During FY 25, the number of Teacher Academy Pathway Programs will increase based on the requirements of the bill to be at every high school in CCSD. Assuming the expansion from 12 high schools to 47 and using the average of 34 students per high school, this would be a total of 1,598 students. Assuming 75% of these students (1199) graduate high school and enroll in 30 credits at an NSHE institution in 2024-25 plus all students from the prior year (230), at an average cost per student of \$8,302 (registration and mandatory fees at UNLV \$9,292; UNR \$9,142; and GBC upper division or NSC \$6,473), this results in a total potential loan cost of \$11,863,558.

Important note: Initial loan costs during the 2023-25 biennium may be lower due to the time needed to build new Teacher Pathways programs and might also depend upon student interest in programs in high school, their matriculation to a college teaching program, and their desire to take a loan. In addition, individual student enrollment levels may vary once they get to college. Regardless, during the first four years of a loan program, the costs are likely to continue to increase substantially as new students matriculate to college. Some funds may be recouped as students enter repayment five years or more from when initial loans are made, but this will be limited due to forgiveness provisions.

**FY 2024
Personnel
Costs**

Position Name	Annual Salary	Benefits	Percent of Time Required	Cost
Loan Coordinator	72,000.00	23,040.00	100%	95,040.00
Total				95,040.00

Exhibit 1 – AB 428 Supporting Detail

**FY 2024
Operating
Costs**

Description	Cost
Student Loans	1,878,640
Total	1,878,640.00

**FY 2025
Personnel
Costs**

Position Name	Annual Salary	Benefits	Percent of Time Required	Cost
Loan Coordinator	74,880.00	23,962.00	100%	98,842.00
Total				98,842.00

**FY2025
Operating
Costs**

Description	Cost
Student Loans	11,863,558
Total	11,863,558.00

University of Nevada, Reno Personnel Costs

UNR would be fiscally impacted by the passing of the proposed legislation by incurring the cost related to the delivery of dual enrollment courses to support the Teacher Academy College Pathway Program. Based on the bill, UNR would need to teach four 3 credit dual credit education courses at each of the high schools that it serves. This cost includes stipends to high school teachers and UNR faculty course coordinators.

Program Personnel Cost Breakdown

High School Dual Credit Teacher Stipends:

- Wages = \$1,000 per class
- Professional development Stipend (time with UNR faculty) = \$1,000 per class

UNR Faculty Dual Credit Course Coordinators:

- Teaching Overload Pay or Course Release = \$500 per course section (maximum load = 10 sections)

Approximate Total Personnel Cost Per Course = \$2,500

Approximate Cost of Teacher Academy College Pathway Program Per School

- Assuming 4 courses per program per high school = \$10,000 per school (\$2,500 a course x 4 courses)

Exhibit 1 – AB 428 Supporting Detail

- UNR is currently partnering with 21 different high schools for dual enrollment course offerings for the 2023 – 2024 academic year. Assuming UNR partners with each of these schools to develop Teacher Academy College Pathway programs, UNR would incur a cost of \$210,000 (\$10,000 per school x 21 schools) for the 2023-2024 academic year.