

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 7, 2017

Agency Submitting: Commission on Postsecondary Education

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Mailing (Expense)		\$150	\$150	\$300
Printing (Expense)		\$200	\$200	\$400
Staffing - Educational Specialist @.1.0 (Expense)		\$86,593	\$90,007	\$180,000
Total	0	\$86,943	\$90,357	\$180,700

Explanation

(Use Additional Sheets of Attachments, if required)

The proposed changes of BDR 18-18 will have a fiscal impact on the operations of the Commission on Postsecondary Education by increasing the agency's elements of compliance including license renewals, audits, and compliance surveys resulting in increase in work at the Educational Specialist classification at 1.0 FTE. Initial implementation will require school notifications and scheduled workshops to assist schools with compliance resulting in mailing and printing.

The long term impact that can not be determined will occur during a school closure and student indemnification is applied. In the event of a school closure or violations of any provision of NRS 394.383 to 394.560 inclusively, the Commission provides indemnification to students for tuition and other fees to the school. The amount eligible for indemnification excludes all U.S. Department of Education Title IV funds as these loans are federally secured. BDR 18-18 does not preclude the Department of Business and Industry from refinancing the federally protected loans currently excluded from the NRS 394.553 provision of student indemnification. BDR 18-18 permits the refinance of loans are included in 26 U.S. Code § 221 "qualified educational loans" definition which includes the Title IV loans. The refinancing of these loans may increase student claims within the indemnification process and require additional staffing to manage claims and process indemnification payouts.

Name Kelly D. Wuest

Title Administrator

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Friday, January 27, 2017

The agency's response appears reasonable.

Name James R. Wells

Title Director

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: BDR 18-18

Name of Agency: Commission on Postsecondary Education

Division/Department: Department of Administration

Date: January 24, 2017

The proposed changes of BDR 18-18 will have a fiscal impact on the operations of the Commission on Postsecondary Education by increasing the agency's elements of compliance including license renewals, audits, and compliance surveys. Initial implementation will require school notifications and scheduled workshops to assist schools with compliance resulting in mailing and printing.

Category Type	Items	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19
Expense	Mailing	0	150.00	150.00
Expense	Printing	0	200.00	200.00
Expense	Staffing – Compliance Verification Educational Specialist @ 1.0 FTE	0	86,593	90,007

The long term impact that can not be determined will occur during a school closure and student indemnification is applied. In the event of a school closure or violations of any provision of NRS 394.383 to 394.560 inclusively, the Commission provides indemnification to students for tuition and other fees to the school. The amount eligible for indemnification excludes all U.S. Department of Education Title IV funds as these loans are federally secured. BDR 18-18 does not preclude the Department of Business and Industry from refinancing the federally protected loans currently excluded from the NRS 394.553 provision of student indemnification. BDR 18-18 permits the refinance of loans are included in 26 U.S. Code § 221 "qualified educational loans" definition which includes the Title IV loans. The refinancing of these loans will likely increase student claims within the indemnification process and require additional staffing to manage claims and process indemnification payouts.