



SF 2163 – Board of Educational Examiners Fees (LSB5246SV)
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Fiscal Note Version – New

Description

Senate File 2163 caps the maximum amount of licensing fee carryover retained by the Board of Educational Examiners at \$650,000. Any amount in excess of \$650,000 will revert to the State General Fund. The bill prohibits the Board from increasing licensing fees during FY 2016 and FY 2017. Additionally, the Bill nullifies administrative rule **ARC 2229C**.

Background

In December 2015, the Board of Educational Examiners presented ARC 2229C to the Administrative Rules Review Committee (ARRC). The rule provides for a \$4 increase for all licensing fees charged by the Board. The Board requested the increase in part due to a transfer of \$600,000 the General Assembly made from the Board to the Department of Education for FY 2016. During the December meeting, the ARRC approved a session delay on the rule. Barring legislative action, ARC 2229C will become effective upon adjournment of the 2016 Legislative Session.

Assumptions

- The revenue growth rate for the Board will be 0.85% annually. The rate is based on the Board's annual revenue growth rate during the period of FY 2011 through FY 2015.
- The expenditure growth rate for the Board will be 3.84% annually. The rate is based on the Board's annual expenditure growth rate during the period of FY 2011 through FY 2015.
- The Board will conduct 31,000 licensing transactions per year in FY 2017 and FY 2018.
- The Board will not increase licensing fees during FY 2018.

Fiscal Impact

The nullification of **ARC 2229C** is estimated to decrease State General Fund revenue by \$31,000 per year in FY 2017 and FY 2018 and decrease Board revenue by \$92,000 in FY 2017 and \$93,000 in FY 2018.

Based on LSA projections, implementing a carryover cap of \$650,000 is estimated to have no impact to the State General Fund as the ending balance is not estimated to exceed \$650,000 during the period of FY 2016 through FY 2018 as shown in the chart on the following page.

Board of Educational Examiners Projected Revenues and Expenditures - SF 2163

	Projected Expenditures	Projected Revenues	Revenues less Expenditures	Beginning Cash Reserves	Ending Cash Reserves
FY 2016	\$ 2,226,956	\$ 2,157,270	\$ -69,686	\$ 570,693	\$ 501,008
FY 2017	2,312,471	2,175,607	-136,864	501,008	364,144
FY 2018	2,401,270	2,194,100	-207,170	364,144	156,974

Notes:

- 1) Based on FY 2015 actual revenues, expenditures, and ending cash reserves.
- 2) Revenue excludes 25.00% of licensure fees transferred to the General Fund.

Sources

Board of Educational Examiners
LSA Analysis

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.