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**SF 2163** – Board of Educational Examiners Fees (LSB5246SV.1)  
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Fiscal Note Version – As amended by **H-8091** (strike everything after the enacting clause)

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**Description**

**Senate File 2163**, as amended by **H-8091**, reduces the Board of Educational Examiners' annual licensure fee transfer to the General Fund from 25.0% to 20.0%, beginning in FY 2017.

**Background**

The Board of Educational Examiners is responsible for processing applications from all prospective candidates for educational licensure in Iowa. Currently, the Board is required to transfer 25.0% of the licensing fees collected each fiscal year to the State General Fund.

**SF 2163** decreases the transfer to 20.0%, beginning in FY 2017.

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. 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 2017 or FY 2018.

**Fiscal Impact**

If **ARC 2229C** is not nullified, reducing the Board's annual licensure fee transfer from 25.0% to 20.0% will reduce General Fund revenue by \$127,000 in FY 2017 and \$128,000 in FY 2018 and increase Board revenue by \$127,000 in FY 2017 and \$128,000 in FY 2018.

**Board of Educational Examiners Projected Revenues and Expenditures**  
**\$4 Fee Increase**

**20.0% Transfer to the General Fund Beginning in FY 2017**

	Projected Expenditures	Projected Revenues	Revenues less Expenditures	Beginning Cash Reserves	Ending Cash Reserves	General Fund Fiscal Impact of Bill	Agency Revenue Impact of Bill
FY 2016	\$ 2,226,956	\$ 2,157,270	\$ -69,686	\$ 570,693	\$ 501,008	\$ 0	\$ 0
FY 2017	2,312,471	2,395,032	82,561	501,008	583,569	-126,562	126,562
FY 2018	2,401,270	2,415,390	14,120	583,569	597,689	-127,638	127,638
FY 2019	2,493,478	2,435,920	-57,558	597,689	540,131	-128,723	128,723
FY 2020	2,589,228	2,456,626	-132,602	540,131	407,528	-129,817	129,817

- Notes: 1) Based on FY 2015 actual revenues, expenditures, and ending cash reserves.  
2) Assumes \$4 increase begins July 1, 2016.  
3) Revenue excludes licensure fee transfer to the General Fund.

If [ARC 2229C](#) is nullified, as [Senate Joint Resolution 2007](#) proposes, reducing the Board's annual licensure fee transfer from 25.0% to 20.0% will reduce General Fund revenue by \$120,000 in FY 2017 and \$121,000 in FY 2018 and increase Board revenues by \$120,000 in FY 2017 and \$121,000 in FY 2018. Together the two bills, SF 2163 and SJR 2007, reduce General Fund revenue by \$151,000 in FY 2017 and \$153,000 in FY 2018 and increase Board revenue by \$28,000 per year in FY 2017 and FY 2018.

**Board of Educational Examiners Projected Revenues and Expenditures**  
**No Fee Increase**

**20.0% Transfer to the General Fund Beginning in FY 2017**

	Projected Expenditures	Projected Revenues	Revenues less Expenditures	Beginning Cash Reserves	Ending Cash Reserves	General Fund Fiscal Impact of Bill	General Fund Fiscal Impact of SF 2163 and SJR 2007	Agency Revenue Impact of SF 2163 and SJR 2007
FY 2016	\$ 2,226,956	\$ 2,157,270	\$ -69,686	\$ 570,693	\$ 501,008	\$ 0	\$ 0	\$ 0
FY 2017	2,312,471	2,295,979	-16,492	501,008	484,516	-120,371	-151,325	27,509
FY 2018	2,401,270	2,315,494	-85,775	484,516	398,740	-121,394	-152,612	27,743
FY 2019	2,493,478	2,335,176	-158,302	398,740	240,438	-122,426	-153,909	27,978
FY 2020	2,589,228	2,355,025	-234,203	240,438	6,235	-123,467	-155,217	28,216

- Notes: 1) Based on FY 2015 actual revenues, expenditures, and ending cash reserves.  
2) Revenue excludes licensure fee transfer to the General Fund.

**Sources**

Board of Educational Examiners  
LSA Analysis

/s/ Holly M. Lyons

March 28, 2016

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 LSA upon request.