

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$127,984		\$132,264	
CASH FUNDS				
FEDERAL FUNDS				
STATE APPORTIONMENT			See Below	
TOTAL FUNDS	\$127,984		\$132,264	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 239 requires the State Department of Education (NDE) to appoint a Coordinator for Educator Effectiveness to support the development and implementation of a systemic effective educator system. The coordinator is to work with schools, educational service units, postsecondary educational institutions and other education stakeholders to develop and make available evaluation models for educators, provide training to implement the models and facilitate the collection of data to determine model effectiveness.

The bill also requires NDE to provide grants for up to two years to school districts to implement an evaluation model for effective educators and to obtain training for administrators and teachers for such model. Intent language in the bill provides that \$3,500,000 shall be available for grants.

The bill repeals provisions of LB 1014 (2010) which provided for the rental income from solar and wind leases on school lands to be used for teacher performance pay beginning in FY2016-17. LB 239 provides for the income from solar or wind agreements on school lands to be used for educator effectiveness grants rather than teacher performance pay. Current law requires that the income from solar and wind leases on school lands is subtracted from state apportionment and distributed as teacher performance pay, prior to allocating state apportionment to school districts on an annual basis. State apportionment (pro rata based on children ages five through eighteen) is allocated annually to all school districts in the state.

Coordinator for Educator Effectiveness: The bill will have a fiscal impact for NDE to hire a Coordinator for Educator Effectiveness. The estimated fiscal impact is \$127,984 of general funds in FY2015-16 and \$132,264 of general funds in FY2016-17 for an additional position to provide leadership and training for educator effectiveness initiatives and to administer the program.

Aid for Educator Effectiveness Grants: LB 239 limits the amount allocated for educator effectiveness grants to \$3.5 million. The Board of Educational Lands and Funds indicates a few towers have been built on school land but there is minimal production at this time, so no revenue is received. However, more towers are anticipated in the future, so there may be revenue from solar and wind leases at some point in time, probably after FY2016-17.

The fiscal impact of the bill for school districts will be a change in how revenue from solar and wind leases is expended by school districts. Currently, the revenue is to be used for teacher performance pay beginning in FY2016-17. However, LB 239 allocates the funds for educator effectiveness grants beginning the same year. Assuming a maximum of \$3.5 million is to be provided for these grants, the bill reinstates provisions prior to LB 1014 which allocate income from solar and wind leases, in excess of \$3.5 million, as state apportionment rather than teacher performance pay.

It is assumed revenue received by school districts for educator effectiveness grants will be a resource for state aid purposes just as state apportionment or teacher performance pay is treated so the bill will not impact overall state resources for aid purposes. However, there could be a change in resources received by individual districts depending upon whether an educator effectiveness grant is received and the amount of such grant.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:239	AM:	AGENCY/POLT. Board of Educational Lands and Funds
REVIEWED BY: James Van Bruggen	DATE: 1/22/2015	PHONE: 471-4179
COMMENTS: I concur with the Board of Educational Land and Funds' assessment.		

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 239

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Board of Educational Lands and Funds

Prepared by: ⁽³⁾

Cindy S.H. Kehling

Date Prepared: ⁽⁴⁾

1-21-2015

Phone: ⁽⁵⁾

402/471-3144 #14

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
TRUST FUNDS	<u>\$0.00</u>	<u>\$50,000</u>	<u>\$0.00</u>	<u>\$50,000</u>
CASH FUNDS	<u>\$0.00</u>	<u></u>	<u>\$0.00</u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>

Explanation of Estimate:

There is speculation on wind development with small rental amounts paid while feasibility studies are completed. A few towers have been built but with minimal production at this time. More towers are anticipated, but quantity and production are unknown at this time. Revenue is a best guess.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
None – done with existing Staff	<u>0</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>
Benefits.....	<u></u>	<u></u>	<u></u>	<u></u>
Operating.....	<u></u>	<u></u>	<u></u>	<u></u>
Travel.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital outlay.....	<u></u>	<u></u>	<u></u>	<u></u>
Aid.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital improvements.....	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL.....	<u></u>	<u></u>	<u></u>	<u></u>