

Revised on 4/1/10 based on amendments adopted through 3/31/10.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1071 as amended pertains to education. The bill includes some of the provisions of LB 957 relating to agreements between educational entities and LB 1069 pertaining to educational technology and educational service units. The bill also amends current law regarding state aid for unified school systems and the certification date for state aid.

Unified Schools: The bill changes the computation of state aid for unified school systems. The state aid for unified systems will be computed as a single district and will no longer be computed separately for each district in a unified system beginning in 2011-12. It is assumed the change may decrease overall needs in the state aid formula for such school districts and could minimally decrease state aid for individual districts unless the stabilization component of the formula offsets any decrease.

Educational Entities Agreement (LB 957): The bill requires the Board of Regents of the University of Nebraska, the Board of Trustees of the Nebraska State Colleges and the board of governors of each Nebraska community college to enter into a memorandum of understanding with the State Department of Education to adopt a policy to share student data. The agreement shall be entered into on or before September 1, 2010. Each entity shall agree to exchange information in accordance with specified federal requirements.

The educational entities required to enter into a memorandum of understanding indicate the bill will have no fiscal impact to enter into the agreement to share student data. However, it is possible that the policy which is adopted to share data may have a fiscal impact for the educational institutions in the future.

The University of Nebraska projects the need for an additional researcher to comply with the bill at an estimated cost of \$100,000 of general funds in 2010-11 and each year thereafter. It is assumed the need by any of the educational entities for additional research positions will depend upon whether the quantity and requirements of student data sharing exceed the capability of existing research staff at each institution or the Department of Education to compile and share data.

Certification of State Aid: The bill also changes the certification date for state aid pursuant to the Tax Equity and Educational Opportunities Support Act (TEEOSA). The date is changed from on or before February 1st of each year to on or before April 1, 2011 and on or before March 1st each year thereafter.

ESU Coordinating Council (LB 1069): The ESU Coordinating Council is a political subdivision without taxing authority as provided in the bill. The Coordinating Council is allowed to act as a fiscal agent for statewide initiatives being implemented by employees of ESU's. The council is permitted to contract with ESU's for the employment of the director of the council or the distance education director.

The bill appears to clarify the duties and responsibilities of the council and aligns with how the council is currently operating. It is assumed the bill will not alter how the council is currently expending its funds.

Educational Technology (LB 1069): The bill changes provisions relating to educational technology, the Chief Information Officer (CIO), and the Nebraska Information Technology Commission (NITC).

Technology Equipment: A requirement for the CIO to bid for telecomputing and distance education equipment and software for ESU's is eliminated. The bill makes it permissive for the CIO to bid for information technology equipment for education-related political subdivisions, if the purchases are made with state funds or local tax receipts. These changes will have no fiscal impact for the CIO.

Education-Related Political Subdivision Technology Equipment: The bill requires that information technology purchases made with state or local tax receipts by education-related political subdivisions must meet or exceed any applicable technical standards established by the NITC. Standards and guidelines established by the NITC are not to unnecessarily restrict the use of new technologies or prevent commercial competition, including competition with Network Nebraska. The changes will not have a fiscal impact for the NITC nor should they have a fiscal impact for education-related political subdivisions.

Network Nebraska: The bill provides that participation in Network Nebraska shall not be required for any educational entity. This provision has no fiscal impact because educational entities are not currently required to belong to Network Nebraska.

CIO Administrative Travel: LB 1071 provides that the CIO may not include administrative travel or conference expenses in establishing a rate to charge participants in Network Nebraska. This provision has no fiscal impact for the CIO because such travel is not currently charged to Network Nebraska participants.

Option Enrollment: The bill clarifies that students who transfer to another school district in a learning community pursuant to open enrollment become resident students of the new school district to which they transferred. Since the changes clarify existing law, there should be no fiscal impact pursuant to the changes.

Early Childhood Education: The bill clarifies that early childhood programs which have not received early childhood grants may be approved to be included in the calculation of TEEOSA aid. The change has no fiscal impact because these programs have been included in the TEEOSA calculation in the past.

ARRA Bonds: The bill expands the definition of bonds under the American Recovery and Reinvestment Act to include bonds permitted per amendments to the act or permitted under the Hiring Incentives to Restore Employment Act. The bill allows these types of bonds to be used by school districts in the state.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	DATE	2/5/10	PHONE	471-2526
COMMENTS					
NEBRASKA DEPARTMENT OF EDUCATION: Concur that there is no fiscal impact to NDE. Any impact to TEEOSA formula need is indeterminate at this time, but there could be a GFOE impact due to costs associated with shifting or increasing student populations as a result of LB 1071.					