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PREPARED BY: Sandy Sostad
DATE PREPARED: January 24, 2011
PHONE: 471-0054

LB 287

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 287 changes the computation of the summer school allowance in the Tax Equity and Educational Opportunities Support Act (TEEOSA). Summer school units for the purpose of the allowance are to include students enrolled in an early childhood education program in a summer session, in the most recently completed data year, beginning with the state aid calculation for FY2012-13. The number of summer school units calculated for early childhood education students shall be six-tenths of the number calculated for students in other grades. An additional six-tenths of a summer school student unit is added for each early childhood education child in a free lunch and free milk program.

An allowance in the formula for a particular activity (i.e. summer school) attributes expenditures for that purpose to a school district actually incurring the expenditures. This reduces the amount of basic funding available in the formula by the amount of the allowance and increases funding for schools able to take advantage of the allowance. Generally, the expansion of an allowance should not increase or decrease the overall amount of state aid distributed, but it will alter the amount of state aid received by individual school districts. It is possible total state aid could change by an indeterminate amount depending upon how the change in basic funding interacts in the formula with the averaging adjustment or needs stabilization.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	DATE	1/27/11	PHONE	471-2526
COMMENTS					
NEBRASKA DEPARTMENT OF EDUCATION: Generally concur with the Department of Education that there would be minimal general fund impact to state aid. Without historical summer school enrollment data for pre-K students, actual fiscal impact cannot be definitively estimated. However, if the largest 15 summer school programs in the state were to increase their student units by 5% as a result of LB 287, the estimated general fund increase to TEEOSA aid would be approximately \$100,000 in FY 2012-13. If all schools' summer school programs were to increase by 5%, the estimated general fund increase to state aid would be approximately \$375,000.					

State Agency OR Political Subdivision Name: INDE/School Finance & Organization Services

Prepared by: Inbody

Date Prepared: 1-21-2011

Phone: 1-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-12</u>		<u>FY 2012-13</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	0	0	0	0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

This bill would provide additional summer school student units by including students enrolled in a summer session of an early childhood education program which would increase a school district's summer school allowance in the TEEOSA formula. The provision begins in school fiscal year 2012/13. The students must have been enrolled in the early childhood education program for the most recently available complete data year. To qualify for this addition to summer school student units, the qualified early childhood education membership, for the school fiscal year aid is being calculated, shall be greater than zero.

Although the changes in LB 287 may cause a shift of TEEOSA Aid to individual school districts there would be minimal or no impact on the total TEEOSA aid paid out on a State-wide basis. As this bill impacts the Summer School Allowance, changes or the addition or elimination of allowances has minimal impact on the total amount of TEEOSA aid distributed state-wide. So there is no fiscal impact.

MAJOR OBJECTS OF EXPENDITURES

<u>PERSONAL SERVICES:</u>	<u>NUMBER OF POSITIONS</u>		<u>2011-12</u>	<u>2012-13</u>
	<u>11-12</u>	<u>12-13</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>POSITION TITLE</u>				
Benefit				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			0	0