

M. J.

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DATE PREPARED: March 04, 2011
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LB 635

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 635 requires the State Board of Education, on or before December 1, 2011, to establish an index to measure the performance of public schools beginning in FY2012-13. The index shall include, but not be limited to, graduation rates, student growth, performance on assessments and other school performance indicators selected by the board. The measures used in the index shall be combined into a school and district performance score. Schools not meeting performance levels established by the board are designated priority schools. An intervention team established by the Commissioner of Education will collaborate with a priority school to develop a progress plan to remove the school's designation as a priority school. After the fifth year a school has been deemed a priority school, the state board is to determine whether further steps shall be taken. The advisory committee of a school in a learning community shall act as the intervention team for priority schools within the learning community.

The bill will have a fiscal impact for the State Department of Education (NDE) to develop an index and gather and report data used in the index. There will also be increased expenditures for intervention teams that are established to work with priority schools in the development of progress plans.

Performance Index: NDE is currently developing an accountability model as called for in the bill. The department is using existing federal and state resources and staff to develop the performance index. The costs for the index will be incurred in the current fiscal year and in FY2011-12 because the index is required to be established on or before December 1, 2011. NDE will also have one-time expenses to incorporate the results of the new index into the State of the Schools report. It is assumed these expenditures will be incurred in FY2011-12. On-going annual costs to run the index system and provide reports will also be incurred by the department. A validation study of the model after it has been in use for one year may also be required. The validation study will determine if the index and criteria used by the board are appropriately identifying priority schools and whether assessment results are comparable across the state.

The fiscal note submitted by NDE on LB 1007 (2010) indicated \$400,000 of additional expenses over a two-year period to develop the index and incorporate the information from the index into the State of the Schools Report. The department also projected a cost of \$100,000 for a validation study as well as on-going costs of \$150,000 per year for performance reports. Based on the fiscal note submitted by NDE, it is assumed the department can handle these increased expenses for the index with existing staff and resources.

Intervention Teams: The need for an intervention team or teams and the cost of such depends upon performance levels established by the board. There will be additional expenses for training intervention team members and for costs related to the preparation of progress plans. The actual fiscal impact for the intervention teams is unknown and could vary considerably from year to year depending upon the number of schools designated as priority schools by the state board. It is assumed expenses for intervention teams will begin in FY2013-14.

NDE submitted a budget request for 10.0 additional FTE to implement a support system for priority schools. It is assumed the budget request covers the cost of establishing intervention teams as required by the bill. The request is for \$882,489 of general funds in FY2011-12 and \$848,739 of general funds in FY2012-13. This fiscal note assumes the bill will have an on-going general fund cost, beginning in FY2013-14, of about \$850,000 for intervention teams based upon NDE's proposal to support priority schools.

Learning Community: The learning community may incur expenses to act as an intervention team if school districts in the learning community are designated as priority schools. It is assumed the learning community will handle expenses associated with intervention teams with existing staff and resources.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	DATE 3/14/11	PHONE 471-2526
COMMENTS			
DEPARTMENT OF EDUCATION: The Department of Education's fiscal note for LB 635 indicates "there is no fiscal impact to NDE for implementation of this bill." Therefore, any state staff requirements to implement this bill will be provided by existing Department resources.			

State Agency OR Political Subdivision Name: Nebraska Department of Education

LEGISLATIVE FISCAL

Prepared by: Pat Roschewski Date Prepared: 3/3/2011 Phone: 402471-2495

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

Explanation of Estimate:

The State Board of Education is currently developing an accountability model as called for in this bill and intends to use multiple factors, including student growth in assessment results under section 79-760.03 over a period of three (3) years. Three (3) years of assessment results for language arts and mathematics for individual students will not be totally available until after the 2012-13 school year. Therefore, there is no fiscal impact to NDE for implementation of this bill.

MAJOR OBJECTS OF EXPENDITURES

Personal Services:

<u>POSITION TITLE</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>
Benefit				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				