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PREPARED BY: Sandy Sostad
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PHONE: 471-0054

LB 870

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised on 3/15/12 based on amendments adopted through 3/13/12.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	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.

Accountability System: LB 870 requires the State Board of Education to establish an accountability system to measure the performance of individual public schools and public school districts on or before August 1, 2012. The accountability system shall be used to measure performance beginning in school year 2012-13. Performance measures to be included in the accountability system include graduation rates and student growth and student improvement on required assessments. The board is to establish levels of performance for the indicators and to classify and report on the performance of individual public schools and public school districts on an annual basis.

The State Board of Education is currently working on an accountability system for schools which includes the performance measures identified in the bill. The board indicates it will continue its efforts in this regard and the requirements of the bill will not increase expenditures to develop the accountability system.

Career Academy Schools: LB 870, as amended, includes some of the provisions of LB 1114 related to career academy schools. The bill allows a school district, with the approval of the State Department of Education (NDE), to establish and operate a career academy school. Career academy schools shall have a career-based curriculum based upon criteria determined by NDE and shall serve students in grades 7 – 12. The curriculum shall focus on mathematics, science and technology with a transition component to prepare students for the workforce, including, internships, job training and skills training. School districts may partner with other entities such as educational service units, learning communities, postsecondary institutions, other school districts or private entities to establish and operate a career academy. Private donations may be received for operating expenses.

NDE is to define standards and criteria for the establishment, evaluation and continuing approval of career academies; the data to be collected; curriculum; and guidance and direction by local advisory boards. NDE will have an increased workload to approve career academy schools and determine criteria for a career-based curriculum. It is assumed the department can handle the workload increase with existing staff and resources.

The number of school districts which will opt to establish career academies and the number of students who will attend such academies is unknown. Any fiscal impact of the bill for school districts and the state depends upon whether the costs of establishing and operating academies are equal to, less than or more than what would have been spent on the students in the absence of the academy. If spending by school districts increases or decreases pursuant to the bill, then state aid may increase or decrease two years after the change in spending occurs.

Evaluations of Probationary Certificated Staff: LB 870 also includes provisions from LB 809. These provisions require Class IV (Lincoln) and V (Omaha) districts to evaluate probationary certificated employees at least once each semester for an entire instructional period. All other school districts are required to do so per current law.

NDE is currently required to review evaluation policies of school districts to determine if policies fulfill statutory requirements. The changes in the bill may require the two impacted districts to revise and submit a new evaluation policy for review by the department. The department indicates the increase in workload can be handled by existing staff with no increase in expenditures.

There may be an increased workload for Class IV and V schools to revise evaluation policies to comply with the bill and to conduct evaluations. It is possible the evaluation policies of some schools may already be in accordance with the law. It is assumed any increased workload pursuant to the bill can be handled by existing school personnel and will not require the addition of school employees.