

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 511 changes current law regarding the allocation of the Education Innovation Fund beginning in FY2016-17. The fund is derived from lottery proceeds. Current law provides for the Legislature to determine how the fund will be allocated for education purposes beginning in FY2016-17. The bill provides for the fund to be allocated to the Educational Technology Center in the State Department of Education (NDE) in fiscal years 2016-17 through 2019-20. Thereafter, the Legislature is to determine how the fund will be allocated.

The Technology Center is to create a plan with partners for: the development of an educational content or learning object repository; the deployment or enhancement of learning management systems; professional development and educational content development; and, directory services. Systems that are developed are to be hosted on Network Nebraska and be made available to participants on the Network. Partners may include, but are not limited to, the Educational Service Unit Coordinating Council, Nebraska Educational Telecommunications Commission, Network Nebraska and school districts. NDE is to use at least 50% of the funds in the Education Innovation Fund for grants to school districts to enhance technology adoption and integration.

Technology Plan and Education Technology Grant Program: Lottery proceeds to the Education Innovation Fund are estimated to total about \$8.1 million of cash funds in FY2016-17. This does not include any unexpended funds which may be carried over from the prior fiscal year. The bill provides for at least 50% of the funds allocated each year to be used as grants to schools to enhance technology adoption and integration, so at least \$4 million will be allocated for this purpose in FY17 through FY20.

The amounts required to develop the learning object repository, deploy or enhance learning management systems, provide professional and content development and directory services is unknown and depends upon the plan developed by the education partners. It is assumed the cost for these activities will be less than \$4 million each fiscal year, so additional funds should be available for grants to school districts.

NDE Expenditures: NDE projects the need for an additional 2.0 FTE in FY2015-16 to administer the new technology infrastructure grant program at an estimated cost of \$207,769 of cash funds. This fiscal note assumes the department can implement the bill with one additional FTE at an estimated cost of \$103,885 of cash funds beginning in FY2016-17. There will also be some minimal costs for rule development which can be handled with this appropriation.

Office of the Chief Information Officer (CIO): The CIO may have increased expenditures pursuant to the plan developed by the partners for systems that are hosted on Network Nebraska. Increased costs could be for such things as bandwidth requirements for data circuits, hosting equipment, and staff support. Any increase in expenditures will be charged to participants in the Network and will be incorporated into future budget requests of the CIO.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 511	AM:	AGENCY/POLT. SUB: Office of the CIO	
REVIEWED BY: Matthew Eash		DATE: 3/13/2013	PHONE: 402-471-4175
COMMENTS: Concur that future fiscal impact to the OCIO cannot be determined at this time.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 511	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: Matthew Eash	DATE: 3/14/2013	PHONE: 402-471-4175
<p>COMMENTS: From FY 2016-17 through FY 2019-20, there may be only nominal change in the level of expenditures from the Education Innovation Cash Fund estimated for FY 2015-16, depending on the budgets to be developed by the new Educational Technology Center.</p> <p>LB 511 reserves 50% of the Education Innovation Cash Fund balance for a new grant program to be administered by the Department, but it does not authorize the Department to charge the Fund for its estimated grants management costs. 1.0 FTE from FY 2015-16 through FY 2019-20 would be adequate to perform all the Department's duties implied by the Bill, but the position would require another fund source, presumably General Funds.</p>		

2013 Legislative Bill Proposal Fiscal Note

Bill #: 511

State Agency: Office of the Chief Information Officer

Prepared by: Steven Schafer

Date Prepared: January 25, 2013

Phone: 402-471-4385

Estimate of Fiscal Impact – State Agencies

	FY 2013-14		FY 2014-15	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

LB 511 changes the distribution of the Education Innovation (lottery) Fund to the Educational Technology Center for FY 2017 through FY 2019. LB 511 also directs the Educational Technology Center to “create a plan with partners, including but not limited to, the Educational Service Unit Coordinating Council, the Nebraska Educational Telecommunications Commission, Network Nebraska, and representatives from school districts. The plan shall include the development of an educational content or learning object repository system, learning management system deployment or enhancement, professional development and educational content development, and directory services to allow common access to such systems. Systems may be sponsored by such partners and shall be hosted on Network Nebraska and made available to Network Nebraska participants.”

Pursuant to Section 86-5,100, the Office of the CIO operates Network Nebraska and recovers the cost of Network Nebraska through a cost structure that is charged to participants. The plan described in LB 511 could impact Network Nebraska by increasing costs for bandwidth requirements for data circuits, hosting equipment, and staff support. Once the plan is complete, the Office of the CIO will incorporate any increased expenditures and revenues in the budget request for the FY 2016 – FY 2017 Biennium.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			FY 2013-14	FY 2014-15
	13-14	14-15		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL					

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2013

LB⁽¹⁾ 511 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Education

Prepared by: ⁽³⁾ Brent Gaswick Date Prepared: ⁽⁴⁾ 1/31/2013 Phone: ⁽⁵⁾ 471-3503

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
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:

Please See Attached explanation of estimate

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-2014</u>	<u>2014-2015</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____

LB 511 – Narrative of Fiscal Cost

LB 511 if implemented will not impact the Department of Education until 2015-16 at the earliest. However, the following financial impact information was compiled to demonstrate the financial impact to the department using current financial figures. It is estimate that with the implementation of LB511 as it currently stands in the 2015-16 fiscal year NDE would need to hire two FTE staff members. One staff member would help coordinate the Grant portion of LB511 while the other staff member would be charged with working with the state wide initiatives as outlined in LB511. The final financial impact to the department would be the need to write a Rule that regulates how the Grant funds are applied for and distributed to the eligible school districts, the cost impact estimates to NDE are:

\$207,769.02 for 2.0 FTE staff members

\$7500 for Rule development and implementation (includes meetings with an advisory group)