

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2019-20 | | FY 2020-21 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$100,000 | | See Below | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$100,000 | | | |

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

LB 679 establishes the School Financing Review Commission consisting of twenty members. The Commission is to conduct an in-depth review of the financing of public elementary and secondary schools which includes specified areas for review that are identified in the bill. Members of the Commission are eligible for the reimbursement of actual and necessary expenses. The Commission ceases to exist on December 31, 2028. A progress report is required by December 31, 2019 and a final report is to be presented by December 1, 2020. Thereafter, reports are required in each even-numbered year regarding the adequacy of school funding sources beginning in July of 2020 through 2028.

The Commission is housed in the State Department of Education (NDE) for administrative purposes. It is authorized to hire staff and consultants and obtain assistance from NDE and the Department of Revenue (DOR) in acquiring data. Intent language provides that at least \$100,000 of general funds shall be appropriated to carry out the duties of the Commission.

Expenditures: It is estimated that up to fifteen of the Commission members may apply for the reimbursement of expenses. The number of meetings of the Commission are unknown. Assuming six meetings in FY20 and four meetings in FY21, the estimated amount to reimburse members for expenses is about \$19,350 in FY20 and \$12,900 in FY21.

The amount of funding needed for the Commission to carry out its responsibilities will be dependent upon whether consultants and staff are hired. It is assumed that NDE and DOR can handle any information or technical assistance requests with existing staff and resources and staff of the Legislature can provide assistance if necessary. If the workload for NDE or DOR pursuant to the bill is substantial, then the general fund appropriation can be used to fund additional staff. It is not possible to project the total future fiscal needs of the Commission at this time, so a general fund appropriation of \$100,000 is assumed in FY20.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | | |
|--|-----------|-------|---|-----------------------|
| LB: | 679 | AM: | AGENCY/POLT. SUB: Department of Education | |
| REVIEWED BY: | Gary Bush | DATE: | 02/06/19 | PHONE: (402) 471-4161 |
| COMMENTS: No basis to disagree with the estimate provided. | | | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | | |
|--|-----------|-------|---------------------------------------|-----------------------|
| LB: | 679 | AM: | AGENCY/POLT. SUB: Legislative Council | |
| REVIEWED BY: | Gary Bush | DATE: | 01/29/19 | PHONE: (402) 471-4161 |
| COMMENTS: No basis to disagree with the estimated by the Legislative Council. | | | | |

Please complete ALL (5) blanks in the first three lines.

2019

LB⁽¹⁾ 679

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/25/19 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2019-20</u> | | <u>FY 2020-21</u> | |
|--------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | \$50,000 | | \$50,000 | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$50,000 | | \$50,000 | |

Explanation of Estimate:

LB 679 creates a 20 member school finance review commission. The members of the commission are to be appointed by the Commissioner and must include individuals from several different organizations and schools as follows:

- Three members of the Legislature
 - Property Tax Administrator
 - Director of ESUCC
 - Commissioner of Education
 - Representative of Governor
- One members of Post Secondary Education
- Two members of each Class III, IV, V
- Six members of the state at large

The commission shall cease to exist on Dec 31, 2028 unless extended by Legislature.

The commission is charged with conducting an in-depth review of the financing of public education including the sources of funds and how best to fund specific services such as pre-k, poverty, college and career readiness, etc.

A preliminary report to the Legislative Council would be due November 2020 with a final report due in December of 2020. Beginning in 2020 the commission shall report on or before July 1 of even numbered year the adequacy of school funding sources.

This bill would allow for \$100,000 to be appropriated for expenses related to this committee.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2019-20</u> <u>EXPENDITURES</u> | <u>2020-21</u> <u>EXPENDITURES</u> |
|-----------------------|----------------------------|--------------|---------------------------------------|---------------------------------------|
| | <u>19-20</u> | <u>20-21</u> | | |
| Benefits..... | | | | |
| Operating..... | | | \$50,000 | \$50,000 |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |

Capital improvements.....

TOTAL.....

\$50,000

\$50,000

Please complete ALL (5) blanks in the first three lines.

2019

LB⁽¹⁾ 679

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 03 LEGISLATIVE COUNCIL

Prepared by: ⁽³⁾ DIANE NICKOLITE Date Prepared: ⁽⁴⁾ 1/25/19 Phone: ⁽⁵⁾ 402-471-2226

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2019-20</u> | | <u>FY 2020-21</u> | |
|--------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

Explanation of Estimate:

LB679 creates the School Financing Review Commission. The commission shall consist of three members of the Legislature appointed by the Executive Board of the Legislative Council. For administrative purposes, the Commission shall be housed with the State Department of Education. LB679 will not have a fiscal impact on the Legislative Council.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2019-20 EXPENDITURES</u> | <u>2020-21 EXPENDITURES</u> |
|---------------------------|----------------------------|--------------|---------------------------------|---------------------------------|
| | <u>19-20</u> | <u>20-21</u> | | |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |