

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	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 601 establishes an Educational Service Unit Coordinating Council on July 1, 2008. The bill eliminates the Distance Education Council and transfers the assets and liabilities of the Distance Education Council to the newly established ESU Coordinating Council on such date. The new council is to coordinate distance education in the state, administer statewide initiatives and services and prepare strategic plans to assure cost-efficient and equitable services. The council is composed of one administrator from each ESU.

The council is to be funded by 1% of the core services funds appropriated by the state, other legislative appropriations for distance learning and fees for services. An executive director is to be appointed and the current distance education director is to be retained as staff for the council. Other staff may be hired as deemed necessary by the council.

The bill has no fiscal impact for the state because existing funds appropriated to ESU's as state aid for core services will be used to fund the council. The state aid appropriation for core services in 2006-07 is \$8,266,325 of general funds. The requested amount of aid for core services per intent language is \$8,472,983 in 2007-08 and \$8,684,808 in 2008-09. If the Legislature appropriates the requested amount of funds, the authorization to use 1% of core services funds for the council will translate to \$86,848 in 2008-09.

The authorization to transfer the assets and liabilities of the Distance Education Council to the ESU Coordinating Council will likely result in a transfer of at least an additional \$530,300 of general funds which may be the amount appropriated to fund the activities of the Distance Education Council in 2008-09 per LB 1208 (2006).

The requirement for ESU's to use 1% of core services funds for statewide initiatives and coordination will not have a fiscal impact for individual ESU's since ESU's currently have an interlocal cooperative agreement which is financed by a set-aside of 1% of core service funds for statewide activities.