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PREPARED BY: Sandy Sostad
DATE PREPARED: March 03, 2011
PHONE: 471-0054

LB 63

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	\$26,900		\$27,200	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$26,900		\$27,200	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 63 enacts the Interstate Compact on Educational Opportunity for Military Children into law with all other jurisdictions legally joining therein. The compact is to remove barriers to educational success for children of military families because of frequent moves and deployment of their parents. The compact becomes effective when at least ten states join. Participating states become members of an Interstate Commission which is responsible for administering the compact. The Interstate Commission may collect an annual assessment from each member state to cover the cost of operations and activities of the Interstate Commission and its staff.

Member states are required to establish a state council. LB 63 establishes a six member State Council on Educational Opportunity for Military Children within the State Department of Education (NDE). Members of the council are eligible for the reimbursement of expenses. The council is to appoint a military family education liaison to assist families and the state in implementing the compact. NDE is to provide staff support for the council. The student achievement coordinator at NDE is to serve as the compact commissioner and is to administer the state's participation in the compact.

Cost of Compact Membership: The Interstate Compact is operational and has been approved by 35 states. Information available from the compact shows a FY11 budget of \$498,500 for compact operations. Each state is to be assessed \$1 per student covered under the agreement. Nebraska's annual assessment will be about \$5,100 based upon children in families of persons who are on active duty or \$8,800 if states are assessed based upon children in families of persons who are on active duty or who are reserves.

NDE Fiscal Impact: There will be increased general fund expenditures for NDE to pay for council activities and to staff the council. It is assumed that annual expenditures for council meetings and operations will not exceed \$4,000 of general funds. NDE indicates that existing staff will provide support to the council and serve as the compact commissioner at no increased cost for personnel to the state. The department estimates about \$14,100 of increased general fund expenses for travel and operations pursuant to the bill. These costs are in addition to a maximum assessment for the state of \$8,800. The total general fund fiscal impact of the bill is estimated to be \$26,900 in FY2011-12 and \$27,200 in FY2012-13.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	DATE	3/7/11	PHONE	471-2526
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COMMENTS

NEBRASKA DEPARTMENT OF EDUCATION: There will be a fee for membership in the Interstate Commission, estimated by the Department of Education to range annually from \$5,100 to \$8,800, but the Department did not include this in its cost itemization. The cost itemization instead includes personnel costs for 2 employees of unknown FTE. There does not appear to be sufficient workload to the state as a result of this compact to justify any FTE. However, there will be administrative costs associated with membership, which reasonably could exceed \$10,000 annually. The Department has identified \$13,000 in annual existing resources. Therefore, any fiscal impact should be limited to the estimated annual membership fee.

LB 63 FISCAL NOTE

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State Agency OR Political Subdivision Name: Nebraska Department of Education

Prepared-by: Richard L. Schoonover Date Prepared: 01/12/11 Phone: (402) 595-2011

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	\$26,927		\$27,236	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$26,927		\$27,236	

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>
Commissioner for the compact and Secretarial Support	2 part time	2 part time	\$10,000	\$10,200
Benefit			\$2,780	\$2,795
Operating			\$10,988	\$10,988
Travel			\$3,159	\$3,253
Capital outlay				
Aid				
Capital improvements				
TOTAL			\$26,927	\$27,236

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

Explanation of Estimate:

It is estimated that the proposed budget will cover the cost of a part time staff member to serve as the commissioner, secretarial support, staff benefits, cost of membership in the compact, operational supplies, and necessary travel to participate compact meetings and activities. Because the staff assigned are existing staff this estimated cost is not totally increased cost to the state. Approximately \$13,000 of the estimated expenditures is already in the budget. The increased cost of this bill would be approximately \$14,000 with the balance of the cost being reassigned from other functions of the Department. The Interstate Commission on Educational Opportunity for Military Children has set the fee for belonging to the compact at \$1.00 per student who qualifies for membership in the compact. The cost of membership is estimated at \$5,100 to \$8,800. The estimated cost of membership contains the funds to increase the total for the membership fees if additional military missions are assigned to facilities in Nebraska or if the number of reserve and national guard called to active duty increases.

It is anticipated that additional support for Nebraska's participation in the compact will be provided by school districts with students of active duty military personnel. This support may include assistance with distribution of information to parents, supporting the participation of their staff in informational and staff development activities, and assisting with electronic communication such as newsletters and web sites.

The cost could change over time if the Interstate Compact on Educational Opportunity for Military Children provides services and assistance to more families because of a growth in the number of military personnel in Nebraska.

The state is responsible for the overall management of the requirements of the compact but the local districts are responsible for the implementation of the compact requirements at the local level.

Currently 35 states have joined the compact. The Interstate Compact's website, <http://www.mic3.net>, has information about the compact, compact officials, and member states.