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DATE PREPARED: February 15, 2011
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LB 548

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	See Below			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below			

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

LB 548 changes provisions relating to learning communities. The following provisions of the bill may have a fiscal impact for the learning community and the Secretary of State:

Learning Community Coordinating Council: The current 21 member elected coordinating council (18 voting and 3 non-voting members) for a learning community is repealed. The current council is replaced by a 9 member council who are school board members of member school districts. The Secretary of State is to take applications from board members to serve on the learning community council. The Secretary of State is to hold a meeting of school board members of member school districts to appoint the members of the council within sixty days after any change in the membership structure of the council. The first meeting and any subsequent meetings that are held prior to officers being elected for the learning community council are to be hosted and conducted by the Secretary of State.

It is assumed the school board members appointed to the learning community coordinating council will be eligible for the reimbursement of necessary expenses. A more than 50% reduction in the number of members of the learning community coordinating council will likely reduce expenditures of the learning community for board member expenses by at least 50%. The learning community indicates expenditures for board member expenses are negligible in terms of the overall budget, so only a minimal savings will occur due to the change in governance.

The learning community will have decreased expenditures of up to \$72,000 in FY 2011-12 and \$36,000 in FY 2012-13 because the payment of council member per diems will be entirely eliminated beginning in FY2011-12, with appointment of a new council, rather than the phased-out elimination required per current law, as the turnover of council members occurs.

The Secretary of State estimates increased expenditures of \$24,706 of general funds for notification requirements and expenses associated with the formation of the new learning community coordinating council. This fiscal note assumes the Secretary of State will incur a workload increase and some expenses relating to notifications and meetings in FY 2011-12 in terms of reconfiguring the membership of the council. It is assumed the expense increase will be less than \$5,000 of general funds.

Achievement Subcouncils: LB 548 repeals the six achievement subcouncils required per current law. At a minimum, achievement councils are made up of three coordinating council members. The achievement councils must conduct at least one public hearing within a subcouncil district each school year. Achievement subcouncils have certain responsibilities, for schools within the subcouncil district such as developing a diversity plan recommendation, administering elementary learning centers, approving poverty and LEP plans, receiving community input, and holding public hearings in response to issues raised by residents.

The repeal of the subcouncils may have a fiscal impact for the learning community in terms of reduced expenses for subcouncil meetings and related activities. It is assumed the reduction in expenses due to the elimination of subcouncils will be minimal.

TEEOSA Impact for Focus Schools and Programs: The bill broadens the authority for school districts in a learning community to establish focus programs and schools or magnet schools and pathway programs. Currently, these schools or programs must be approved by the learning community coordinating council pursuant to the diversity plan.

The bill allows one or more school districts that are members of a learning community to independently participate in joint entities formed pursuant to the Interlocal Cooperation Act to create, implement and operate focus programs, focus schools, magnet schools or pathway programs without the approval of the learning community coordinating council. Current law requiring one member school district to be the primary district when districts collaborate on a focus school, focus program or magnet school is repealed.

It is assumed the changes will not increase expenditures for schools in a learning community which opt to establish focus or magnet schools or focus programs because school districts can establish these types of schools and programs under current law. The elimination of the requirement for one district to be the primary district on collaborative focus schools or programs should not increase overall expenditures by school districts participating in these activities.

The state aid formula includes a focus school and program allowance. It is assumed the changes in the bill do not allow school districts in the learning community which establish focus or magnet schools or programs pursuant to the Interlocal Cooperation Act to qualify for the focus school and program allowance. If the intent of the bill is to have these schools and programs qualify, then the fiscal impact of this change could be significant in terms of future TEEOSA aid.

Advisory Committee Duties: The duties of the advisory committee of the learning community are expanded to include planning for and administration of elementary learning centers. This responsibility was previously carried out by achievement subcouncils. The advisory committee is made up of the superintendent from each member school district. The change is not anticipated to have a fiscal impact for the learning community since the supervisory responsibility is being shifted from one entity of the learning community to another.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	DATE	2/18/11	PHONE	471-2526
COMMENTS					
SECRETARY OF STATE - This bill appears to require the immediate re-establishment of the Learning Community Coordinating Council of Douglas and Sarpy Counties. This would require the Secretary of State to facilitate the process, incurring one-time costs for this purpose. There is no basis on which to disagree with the Secretary's estimate of maximum one-time costs. Due to the emergency clause, the fiscal impact would occur in FY 2011-12.					
DEPT. OF EDUCATION – There is no basis to disagree. The Learning Community will likely incur some nominal transition costs which it can absorb for no additional resources.					

LB 548 FISCAL NOTE

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 LEGISLATIVE FISCAL
 2011

State Agency OR Political Subdivision Name: Nebraska Department of Education

Prepared by: Richard L. Schoonover **Date Prepared:** January 27, 2011 **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	No impact on NDE		No impact on NDE	
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:

There would be no fiscal impact to the Department of Education.

A fiscal impact to school districts that are members of a learning community and to the learning community coordinating council is unknown at this time.

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>
Benefit				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				