

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$270,859		\$363,409	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$270,859</b>		<b>\$363,409</b>	

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

LB 575 requires training for members of school boards and learning communities. On and after January 1, 2014 all newly elected or appointed school board members or learning community coordinating council members shall receive at least 12 hours of professional development training within 180 days after their election or appointment. School board or learning community council members who have served more than one year or who are reelected or reappointed shall receive at least 8 hours of professional development training per year.

The State Department of Education (NDE) is required to provide the professional development for the board members. The department may approve training by other entities which can be credited toward the required professional development. NDE is to track who completes the required training within the required time periods. Board members may apply to the Commissioner of Education for a waiver to extend the time period to complete the training. Denials of waivers may be appealed to the State Board of Education. Board members who do not complete the training requirements are not eligible for reelection or reappointment upon notification to the Secretary of State by NDE.

NDE will need additional staff to administer the professional development training system. The department projects the need for 2.0 FTE to develop and maintain the system, review training provided by other entities, approve training, and, track the hours of training completed by board members and the completion of training requirements. Estimated expenditures for 2.0 FTE and related operating and travel costs are \$180,859 of general funds in FY2013-14 and \$183,409 of general funds in FY2014-15.

There are about 1,500 school board members in the state. It is unknown how many are newly elected. The Nebraska Association of School Boards currently provides various training opportunities for school boards, ranging from 3 hour courses to 1.5 day courses. The association charges school board members a fee for the courses. It appears the minimum fees charged per hour for a course range from about \$12 to \$17. Assuming 1,500 board members are provided 8 hours of training per year at an average cost of \$15 per hour, the fiscal impact for training will be \$180,000. This estimate does not take into consideration the new board members which are required to have 12 hours of training.

The bill requires NDE to provide the required professional development training. There is no provision in the bill allowing the department to charge for training, so it is assumed the cost will be borne by the state. It is also assumed the department will contract for the provision of the majority of the professional development with other entities. However, due to the requirement for each board member to have 8 hours of training on an annual basis, the department may have to develop some training courses.

The estimated fiscal impact of the bill in FY14 is \$180,859 of general funds for two additional staff for the entire fiscal year and \$90,000 for training for six months of the fiscal year. The fiscal impact in FY15 is \$183,409 of general funds for staff and \$180,000 of general funds for training.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 575	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Matthew Eash		DATE: 3/13/2013	PHONE: <a href="tel:402-471-4175">402-471-4175</a>
<p>COMMENTS: LB 575 does not directly assign responsibility to any entity to pay for the costs of training, but it indicates, "The Department of Education shall provide the ...training." Therefore, this analysis assumes that the Department is responsible for all costs.</p> <p>The Department's fiscal note appears to suggest that it would contract out for training services in lieu of employing its own staff to provide the training. If training would be contracted for, the Department may not need 2.0 FTEs every year to manage the administrative functions implied in the bill. Standards, rules, and automation development would be one-time costs in FY 2013-14 only. Perennial duties primarily would involve supervision of training standards the adjudication of waivers, violations, etc., of school board members. 1.0 FTE would be needed for these ongoing duties.</p> <p>The Department's fiscal note does not provide analysis with regard to its expected contractual costs. If training is to be in a traditional classroom environment, Contractor travel costs to 249 school districts alone could exceed the Department's estimated total annual fiscal impact of the bill. Alternatively, requiring multiple school districts to send their board members to centralized sites for training might allow the Department to pass the travel costs onto schools, which would increase TEEOSA computation of General Fund Operating Expenditures (GFOE) and result in increased TEEOSA State Aid. Utilization of video-teleconferencing in lieu of a traditional classroom would reduce travel costs. Development and use of an online course would reduce annual labor and overhead costs, although this option would incur one-time web programming costs and subsequent costs for periodic updates.</p> <p>Without more information regarding the delivery methods of training, it is impossible to estimate the perennial cost; but \$330,858.71 is probably not enough for FY 2013-14 because of the one-time start-up costs, regardless of the method of delivery chosen.</p>			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 575	AM:	AGENCY/POLT. SUB: Learning Community of Douglas/Sarpy Counties	
REVIEWED BY: Matthew Eash		DATE: 3/13/2013	PHONE: <a href="tel:402-471-4175">402-471-4175</a>
<p>COMMENTS: LB 575 does not directly assign responsibility to any entity to pay for the costs of training Learning Community Council members, but it indicates, "The Department of Education shall provide the ...training." Therefore, it could be assumed that the Department is responsible for all costs.</p>			

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

**2013**

**LB<sup>(1)</sup> 575 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Education

Prepared by: <sup>(3)</sup> Mary Ann Losh/Freida Lange Date Prepared: <sup>(4)</sup> January 30, 2013 Phone: <sup>(5)</sup> 402-471-4357 or 402-471-2444

**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	<u>\$330,858.71</u>	<u>                    </u>	<u>\$333,408.65</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

**Explanation of Estimate:**

Staff would be needed to develop and maintain the training system including: content development, review of training by providers and approval of offered training. A data system would need to be developed and sustained to maintain record keeping of completed and non-completed board member attendance at "approved" trainings, the content of the training, and the number of hours attended. In addition, the system would need to record board member waivers, possible appeals status, approval of those waivers and notification to the Election Division of the Office of the Secretary of State the names of board members who are ineligible for re-election. The cost for local subdivisions is unknown.

**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>
Education Specialist	<u>1.0</u>	<u>1.0</u>	<u>47,918.00</u>	<u>48,996.00</u>
Data Base Analyst/Developer	<u>1.0</u>	<u>1.0</u>	<u>47,918.00</u>	<u>48,996.00</u>
Benefits.....			<u>61,378.71</u>	<u>66,322.65</u>
Operating.....			<u>164,336.00</u>	<u>159,786.00</u>
Travel.....			<u>9,308.00</u>	<u>9,308.00</u>
Capital outlay.....			<u>                    </u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
TOTAL.....			<u>\$330,858.71</u>	<u>\$333,408.65</u>

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

**2013**

**LB<sup>(1)</sup> 575 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Learning Community of Douglas and Sarpy Counties

Prepared by: <sup>(3)</sup> Brian Gabrial Date Prepared: <sup>(4)</sup> 1/29/13 Phone: <sup>(5)</sup> 402-964-2198

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</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:

LB 575 would have no fiscal impact on the overall budget of the Learning Community of Douglas and Sarpy Counties.

The bill would require spending for professional development training for council members which we would estimate to be approximately \$1,500 to \$2,000, but this expense would have to be offset by cutting expenditures on another line item as the total amount of appropriation and levy would not change.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

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