PREPARED BY: DATE PREPARED: PHONE: Sandy Sostad February 22, 2013 471-0054

**LB 178** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 178 eliminates the requirement for school districts in a learning community to provide free transportation to students attending school in a district pursuant to the open enrollment provisions for all school buildings in the learning community. The bill repeals the new learning community transportation adjustment in the state aid formula (TEEOSA) beginning in FY14. This provision no longer applies to the one learning community that exists in the state, so there is no fiscal impact at this point in time for the repeal.

The bill also repeals provisions for elementary learning centers allowing transportation for truant children and participating families. A provision of current law allowing a learning community to provide transportation for parents of elementary children, who qualify for free or reduced price lunches, to school functions is repealed. The bill is operative on July 1, 2013.

<u>School District Transportation</u>: The State Department of Education indicates schools in the learning community spent \$3,279,734 for open enrollment transportation in FY2011-12. So, the bill will decrease school district expenditures by approximately this amount in FY14 and FY15.

<u>TEEOSA Aid</u>: Decreased spending by school districts reduces general fund operating expenses in the state aid formula which impacts the amount of state aid distributed, two years after the change in spending occurs. So, the fiscal impact for TEEOSA aid will occur beginning in FY16.

Any change in state aid is dependent upon how decreased spending for transportation impacts the calculation of basic funding for districts and whether the needs stabilization offsets decreases in basic funding. Since the majority of the districts in the learning community are in the same comparison group in terms of computing basic funding and most are equalized, the bill likely will reduce state aid by some amount in the future. NDE estimates aid could be reduced by about \$2.9 million.

<u>Learning Community Transportation</u>: The learning community will have decreased transportation expenses pursuant to the bill to the extent that elementary learning centers are transporting children or families.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES				
LB: <mark>178</mark> AM:	AGENCY/POLT. SUB: Department of Educ	ation		
REVIEWED BY: Matthew Eash	DATE: 1/23/2013	PHONE: 402-471-4175		
	earning Community member districts eliminated all			
	be a net annual savings to TEEOSA State Aid of			
on currently available expenditure data), all of which would impact only Learning Community member districts. Distribution of those savings would impact the member districts generally proportional to their current open enrollment transportation				
expenditures, although there may be some shifting in the proportions due to fluctuations in Basic Funding and Learning				
Community redistribution calculations. Assuming implementation of this legislation in FY 2013-14, the savings would be				
reflected as a reduction to the statewide total of TEEOSA State Aid two years later (FY 2015-16).				

LB <sup>(3)</sup> 1/8 FISCAL NOTE (revis	sea)		
State Agency OR Political Subdivision Name: (2)	NDE/School Finance & Organization Services		
Prepared by: (3) Inbody, Wilson	Date Prepared: (4) January 23, 2013 Phone: (5) 1-3323	Prepared: (4) January 23, 2013 Phone: (5) 1-3323	
ESTIMATE PROVIDE	ED BY STATE AGENCY OR POLITICAL SUBDIVISION	ATE AGENCY OR POLITICAL SUBDIVISION	

	FY 2013-2014		FY 2014-2015	
	<b>EXPENDITURES</b>	<u>REVENUE</u>	<b>EXPENDITURES</b>	<u>REVENUE</u>
GENERAL FUNDS	(2,884,000)		(2,884,000)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(2,884,000)		(2,884,000)	

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

Explanation of Estimate: Depending on the timing of this bill it may or may not affect the 2013/14 state aid certification. Total open enrollment transportation expenses on the 11/12 Annual Financial Report was approximately \$3,300,000. \$500,000 for transportation paid to other districts was subtracted from the \$3,300,000 as transportation paid to other districts is subtracted from General Fund Operating Expenditures. The remaining \$2,800,000 was included in General Fund Operating Expenditures for open enrollment expenses. General Fund Operating Expenditures were grown by the basic allowable growth rate of 3% for the current year's certification. The result is the total of \$2,884,000 of expenses for the open enrollment transportation expense in the learning community. We used the same amount for FY 14/15 as open enrollment expenses for 12/13 are not yet available. The transportation allowance was not considered when determining the fiscal impact as we do not know how many miles claimed were related to open enrollment.

MAJOR OBJECTS OF EXPENDITURE					
Personal Services:					
POSITION TITLE	NUMBER O <u>13-14</u>	F POSITIONS <u>14-15</u>	2013-2014 EXPENDITURES	2014-2015 EXPENDITURES	
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improvements					
TOTAL					

Aid.....

Capital improvements.....

TOTAL.....

LB <sup>(1)</sup> 178 FISCAL NOTE					
State Agency OR Political Subdivision Name: (2)	Learning Commu	Learning Community of Douglas and Sarpy Counties			
Prepared by: (3) Brian Gabrial	Date Prepared: (4)	1/17/13 Phone: (5)	402-964-2198		
ESTIMATE PROVID	ED BY STATE AGENO	CY OR POLITICAL SUBDIVISIO	<u>ON</u>		
<u>FY 9</u> <u>EXPENDITURES</u>	2013-14 <u>REVENUE</u>	<u>FY 2014</u> <u>EXPENDITURES</u>	-15 REVENUE		
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS		·			
TOTAL FUNDS					
LB 178 would have no fiscal impact with respondence, it may impact the budget of the sch they would no longer be required to provide the a school district were to change, this would alstate aid formula. This would affect not only districts of the Learning Community of Dougl Community which would alter the distribution	ool districts within the ransportation to some of so likely have an impact the overall level of equa las and Sarpy Counties b	Learning Community of Douglas pen enrolled students. If the tracton the amount of formula needs dization aid allocated to the 11 nout also the distribution of needs	and Sarpy Counties as nsportation budget of as calculated in the nember school within the Learning		
	R OBJECTS OF EXPEN	DITURE			
Personal Services:  NU  POSITION TITLE	JMBER OF POSITIONS 13-14 14-15	S 2013-14 EXPENDITURES	2014-15 EXPENDITURES		
Benefits					
Operating					
Travel					
Capital outlay					