

**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> |         |
|   | 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for parents of elementary children, who qualify for free or reduced price lunches, to school functions is repealed.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.

School District Transportation: 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.

TEEOSA Aid: 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.

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

| <b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>   |     |   |                     |
|---|-----|---|---------------------|
| LB: 178   | AM: | AGENCY/POLT. SUB: Department of Education |                     |
| REVIEWED BY: Matthew Eash   |     | DATE: 1/23/2013                           | PHONE: 402-471-4175 |
| COMMENTS: Generally concur that if Learning Community member districts eliminated all free transportation for open enrollment transfer students, there would be a net annual savings to TEEOSA State Aid of approximately \$2.9 million (based 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). |     |   |                     |



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

**2013**

**LB<sup>(1)</sup> 178 FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Brian Gabriel Date Prepared: <sup>(4)</sup> 1/17/13 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 178 would have no fiscal impact with respect to the budget of the Learning Community of Douglas and Sarpy Counties. However, it may impact the budget of the school districts within the Learning Community of Douglas and Sarpy Counties as they would no longer be required to provide transportation to some open enrolled students. If the transportation budget of a school district were to change, this would also likely have an impact on the amount of formula needs as calculated in the state aid formula. This would affect not only the overall level of equalization aid allocated to the 11 member school districts of the Learning Community of Douglas and Sarpy Counties but also the distribution of needs within the Learning Community which would alter the distribution of state aid funds and funds received through the common levy.

**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.....                | _____                      | _____        | _____               | _____               |