

**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	\$6,001,280		\$5,749,373	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$6,001,280</b>		<b>\$5,749,373</b>	

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

LB 416 eliminates the teacher education allowance as a component in the calculation of state aid for schools in the Tax Equity and Educational Opportunities Support Act (TEEOSA) beginning in FY2014-15. The bill provides intent language for the Legislature to develop and establish a system for rewarding teachers who improve their skills and knowledge, in lieu of providing the teacher education allowance in the formula.

The allowance in the formula attributes allowable expenditures for teacher education to school districts eligible for the allowance. This reduces the amount of basic funding available in the formula. Eliminating the teacher education allowance increases basic funding which results in an increase in estimated state aid of \$6,001,280 in FY14 and \$5,749,373 in FY15.

It is assumed the Legislature can develop and establish a system for rewarding teachers, in lieu of the teacher education allowance, using existing staff and resources of the Legislative Council. The net fiscal impact of the bill will be dependent upon the alternative system developed by the Legislature.

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

**2013**

**LB<sup>(1)</sup> 416 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> NDE/School Finance & Organization Services

Prepared by: <sup>(3)</sup> Wilson/Inbody Date Prepared: <sup>(4)</sup> January 25, 2013 Phone: <sup>(5)</sup> 1-3323

**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	_____	_____	_____	_____
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:

This bill would repeal the teacher education allowance to be replaced with a teacher incentive allowance. As the proposal is an allowance there would be little to no effect on the total state aid calculated. Allowances subtract from Basic funding so it would just cause a reallocation of funds within the state aid formula. No calculation was given for the teacher incentive allowance.

**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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____