

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 401 is the School Purchasing Act. The bill provides a uniform purchasing procedure for school district and learning community purchases of equipment, supplies, and other items of personal property, and services and provides requirements for the sale of surplus personal property which is obsolete or unusable by a school district. The purchase of liability insurance, energy financing contracts, retirement annuities, textbooks for loan, and lease purchase agreements also come under the provisions of the act. Purchasing agents or their staffs who violate the provisions of the act, upon conviction, are guilty of a Class IV felony.

Class IV (Lincoln) and Class V (Omaha) school districts, the learning community coordinating council, and Class III school districts with a city of 50,000 or more (Bellevue) are required to employ a purchasing agent who is not a member of the school board or learning community coordinating council to purchase all personal property and services required by the district or learning community. The bill makes it permissive for other school districts to employ a purchasing agent who is not a board member.

The bill encourages districts to work together when joint purchases are advantageous. The bill defines the bidding process to be used for the purchase of property or services depending upon the value of the purchase. Competitive bids are not required in certain instances when prices are established by outside entities such as the federal General Services Administration; the materiel division of the Department of Administrative Services; or cooperative service agreements per a contract with another governmental entity.

The fiscal impact of the bill for school districts is unknown. The Lincoln, Omaha, and Bellevue school districts currently have purchasing departments, so the requirement to employ a purchasing agent should not have a fiscal impact for the districts. The learning community indicates the bill will have no fiscal impact for the entity.

The requirements for competitive bidding for purchases of property or services may have a fiscal impact for school districts to revise procedures and purchasing manuals and to competitively bid some purchases that are not currently bid out. It is possible that some districts which do not competitively bid all purchases or contracts over \$20,000 or do not take competitive bids to sell property valued at \$2,500 or more will have increased administrative expenses and/or staffing needs to comply with the requirements of the bill.

It appears the bill will continue to allow cooperative purchase agreements currently used by many districts through educational service units and the materiel division of the Department of Administrative Services.

If there are any convictions for violations of the act, the maximum penalty may be a fine of up to \$10,000 and imprisonment for up to five years. Any revenue received pursuant to fines accrues to the county where the violation occurs for use by the public schools.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 401	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Matthew Eash		DATE: 2/11/2013	PHONE: 402-471-4175
COMMENTS: Concur with Department's fiscal impact analysis for school districts. No fiscal impact to the Department's operating budget.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 401	AM:	AGENCY/POLT. SUB: Learning Community of Douglas/Sarpy Counties
REVIEWED BY: Matthew Eash	DATE: 2/11/2013	PHONE: 402-471-4175
COMMENTS: Concur that there would be no fiscal impact to the Learning Community's operating budget.		

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

2013

LB⁽¹⁾ 401 FISCAL NOTE

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

Prepared by: (3) Inbody, Bergquist, Eret Date Prepared: (4) 1-29-2013 Phone: (5) 1-4320

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 create the School Purchasing Act. The bill provides a uniform purchasing procedure for school district and learning community purchases of equipment, supplies, and other items of personal property, and services and provides requirements for the sale of surplus personal property which is obsolete or unusable by a school district or a learning community. Class IV (Lincoln), Class V (Omaha) school districts, Class III school districts within a city of 50,000 or more, and learning community coordinating councils are required to employ a purchasing agent. The purchasing agent may not be a member of the school board or the coordinating council. The duties of the purchasing agent are to purchase all personal property and services required by the district. The bill makes it permissive for other school districts to employ a purchasing agent who is not a board member.

The bill encourages school districts and learning communities to work together when joint purchases are advantageous. School boards and learning community coordinating councils would need to establish policies for the School Purchasing Act.

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.....	_____	_____	_____	_____

Fiscal Impact:

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

To School Districts: Schools that use a uniform purchasing process and that participate in joint purchase agreements with cooperating schools may experience lower costs/reduced expenditures because of economies of scale. The cost of hiring a purchasing agent would increase expenditures/personnel costs for the schools that are required to use a purchasing agent and for those schools who voluntarily utilize a purchasing agent. Since Lincoln Public Schools and Omaha Public Schools currently have purchasing departments there would be no fiscal impact to those schools to hire a purchasing agent. An estimate of the fiscal impact for schools that would voluntarily participate is unknown.

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2013

LB⁽¹⁾ 401 FISCAL NOTE

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

Prepared by: ⁽³⁾ Brian Gabriel Date Prepared: ⁽⁴⁾ 1/29/13 Phone: ⁽⁵⁾ 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 401 would have no fiscal impact with respect to the budget of the Learning Community of Douglas and Sarpy Counties.

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.....	_____	_____	_____	_____