

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</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 973 eliminates current classifications of school districts. The bill also requires training for members of school boards and learning communities.

Elimination of Classifications of School Districts: The State Department of Education indicates the elimination of school district classifications will have no fiscal impact. However, if the bill allows schools to change their grade offerings, there is a potential for a fiscal impact to occur.

Board Member Training: 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. It is assumed 2.0 FTE will be needed 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 FY2014-15 and \$183,409 of general funds in FY2015-16.

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 FY15 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 FY16 is \$183,409 of general funds for staff and \$180,000 of general funds for training.

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

**2014**

**LB<sup>(1)</sup> 973**

**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 24, 2014

Phone: <sup>(5)</sup> 1-3323

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

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	=====	=====	=====	=====

**Explanation of Estimate:** LB 973 primarily eliminates school district classifications but it also allows schools to decide their grade configurations which could potentially have a fiscal cost but it cannot be determined at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

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

**2014**

**LB<sup>(1)</sup> 973**

**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> 1/28/14

Phone: <sup>(5)</sup> 402-964-2198

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

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	=====	=====	=====	=====

**Explanation of Estimate:**

LB 973 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 \$4,000 to \$5,000, but this expense would have to be offset by cutting expenditures on another line items as the total amount of appropriation and levy would not change.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

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

2014

LB<sup>(1)</sup> 973

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Secretary of State

Prepared by: <sup>(3)</sup> Suzanne Hinzman

Date Prepared: <sup>(4)</sup> 1/29/2014

Phone: <sup>(5)</sup> 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

This bill has no fiscal impact for the Secretary of State.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>