

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$550,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$550,000	

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

LB 402 changes provisions relating to distance education funding. Current law provides incentives to school districts and educational service units (ESU's) for distance education courses that are sent and received in the state. Lottery proceeds are used to fund the incentives through FY2015-16. The estimated amount of lottery funds to be allocated for distance education incentives in FY16 is about \$1.6 million. Lottery funding for this purpose terminates on June 30, 2016.

The bill provides for incentives of up to \$1,000 per distance education course sent in the state. The funding source is assumed to be general funds beginning in FY2016-17. School districts and ESU's are to apply on or before August 1st of each year to receive funding based upon courses sent in the then-current fiscal year. So, it is assumed schools will apply for funds beginning in FY2016-17 based upon courses sent in FY2015-16.

Aid for Distance Education Courses: The State Department of Education (NDE) indicates there were 567 distance education courses sent in FY2012-13 and 493 courses sent in FY2013-14. The coordinator for the ESU distance learning program and NDE estimate about 550 courses will be sent in FY2015-16 and FY2016-17. Based upon this estimate and assuming a maximum of \$1,000 per course, there will be up to \$550,000 of general funds needed to reimburse schools and ESU's for distance education courses in FY17.

Administration: NDE currently uses general funds to fund a .25 FTE to administer the program. It is assumed existing staff and resources will be used to continue the aid program.

Technical Note: Section 3 eliminates lottery funding for distance education courses in FY2015-16 and Section 1 provides lottery funding for this purpose in FY2015-16. This fiscal note assumes lottery funds will be used to provide incentives in FY2015-16 and distance education courses will be funded with general funds beginning in FY2016-17. Courses will be reimbursed based upon the offerings in the prior fiscal year. Section 3 requires school districts and ESU's to apply for funding based upon the number of courses received when the reimbursement is based upon the number of courses sent.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 402	AM:	AGENCY/POLT. SUB: Dept. of Education	
REVIEWED BY: Gary Bush		DATE: 1/27/15	PHONE: 471-4161
COMMENTS: Estimate appears to be reasonable given assumptions used by the agency.			

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

2015

LB⁽¹⁾ 402

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Education

Prepared by: ⁽³⁾ Brent Gaswick

Date Prepared: ⁽⁴⁾ 1/22/2015

Phone: ⁽⁵⁾ 471-3503

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$29,642*	0	\$25,783*	0
CASH FUNDS	550,000	0	550,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$579,642	0	\$575,783	0

Explanation of Estimate:

\$1500 for rule development – advertising hearing, copying: 2015-2016
 \$3000 for rule committee travel costs: 2015-2016

NDE staff costs will be \$17,285 at .25 fte for the current NDE employee administering the current distance education program and who would be assigned the new incentive review duties. In addition to salary we will need .25% of the staff members benefits, which will be \$7,357 for a total of \$24,642. All data based on current staff members 2014-2015 salary and benefits. *(*This is will not be new funding but is included to show the cost impact on the departments budget based on LB 402, this is currently supported via general funds the department receives)*

It is difficult to estimate the true budget impact of the \$1,000 per sent course reimbursement, as this is subjective based on the number of schools that participate in a given year and request reimbursement. To give us a base range we looked at historical data. In 2012-2013 567 course were sent resulting in a cost of \$567,000 and in 2013-2014 493 courses were sent which cost \$493,000. It is not known what the costs would be moving forward as the courses reimbursement will depend upon the number of eligible courses provided by schools, it is anticipated it would be similar to the historical data provided.

(eligible sent courses (13-14) X total possible reimbursement per course = total possible reimbursement)
 493 courses x \$1,000 = \$493,000. We choose to estimate the 2015-16 and 2016-17 years for 550 courses being sent. *(As the bill is written it appears that the funding for the reimbursements would come from lottery funds)*

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Lead Evaluator	.25 fte	.25 fte	\$17,285	\$17,717
Benefits.....			\$7,357	\$7,541
Operating.....			\$2000	\$525
Travel.....			3000	0
Capital outlay.....			0	0
Aid.....			\$550,000	\$550,000
Capital improvements.....				0
TOTAL.....			\$579,642	\$575,783

