

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		\$2,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		\$2,000,000	

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

LB 575 pertains to programs of excellence offered by school districts. A program of excellence is a nationally recognized program offered in high school grades that includes a curriculum and pedagogy, professional development for teachers and a rigorous external assessment. The bill establishes a new aid program and requires the State Department of Education (NDE) to provide funding for programs of excellence.

Aid for Completion of a Program of Excellence: Educational service units (ESU's), on behalf of member public schools, shall apply to NDE for aid for each student who completes a program of excellence. Applications for aid reimbursement are to be submitted prior to August 1 of every year beginning in 2018. Aid is allocated based upon completions in the immediately preceding fiscal year. Aid will be allocated during September of each year, beginning in FY2018-19. Revenue received pursuant to the program is considered to be a special grant for state aid purposes, so TEEOSA aid will not be impacted.

The bill provides for NDE to reimburse a school district through its ESU a per student amount based upon the funds allocated for the program divided by the number eligible for reimbursement. Intent language in the bill provides for \$2 million of general funds to be appropriated each fiscal year beginning in FY2018-19 through FY2020-21.

NDE Expenses: NDE is required to develop rules and regulations and administer the aid program. The department is required to prepare an annual report with respect to funds allocated per district and the number of students completing programs for which reimbursement is made. The department indicates there would be initial costs to identify, develop and use data to support the calculation of aid. However, the agency is not able to estimate these costs due to the uncertainty as to the scope of programs of excellence.

ESU Expenses: It is assumed the ESU's will have recordkeeping and accounting expenses associated with the bill that can be handled with existing resources and staff of the individual service units.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 575	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: James Van Bruggen	DATE: 1/30/17	PHONE: (402) 471-4179
COMMENTS: The bill states an appropriation of \$2,000,000 General Funds each fiscal year from FY 2018-19 through FY 2020-21 for reimbursements to ESU's and school districts. There may be some costs to the Department of Education to operationalize the bill.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 575	AM:	AGENCY/POLT. SUB: Educational Service Unit Coordinating Council
REVIEWED BY: James Van Bruggen	DATE: 1/20/17	PHONE: (402) 471-4179
COMMENTS: The bill allows for Educational Service Units to be reimbursed for their expenses, however, full reimbursement is based on funding amounts. The bill intends to appropriate \$2,000,000 in General Funds.		

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

2017

LB⁽¹⁾ 575

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: ⁽⁴⁾ 1/25/17

Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	\$2,000,000	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	\$2,000,000	=====

Explanation of Estimate:

Creates a dedicated source of funding to public schools in Nebraska through educational service units for the costs of implementing as well as the ongoing costs of offering programs of excellence.

It is intended for \$2 million to be allocated for the program annually from 2018/19 - 2020-21. The funds are to be distributed based on the number of students completing programs of excellence and are to be paid to the Educational Service Units, which pass the funds on to the corresponding school districts.

There would also be initial costs in the identification, development, and use of data to support the calculation and required evaluation of the progress for the programs. The Department is not able to accurately estimate these costs due, in part, to the uncertainty of the scope of the centers of excellence.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	\$2,000,000
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	\$2,000,000

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

2017

LB⁽¹⁾ 575

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Educational Service Unit Coordinating Council

Prepared by: ⁽³⁾ David M. Ludwig Date Prepared: ⁽⁴⁾ 1-19-17 Phone: ⁽⁵⁾ 402-597-4915

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Explanation of Estimate:

At the present time, there would be no apparent fiscal impact within the Educational Service Unit Coordinating Council.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____