

PREPARED BY: Sandy Sostad  
 DATE PREPARED: February 13, 2019  
 PHONE: 471-0054

**LB 398**

Revision: 00

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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 398 pertains to the use of levy funds by learning communities. There is currently one learning community in Douglas/Sarpy counties. The learning community is authorized to levy up to \$.015 for early childhood education programs for children in poverty, for elementary learning centers employees, for contracted elementary learning center programs and services and for pilot projects. However, current law provides that no more than 10% of the funds raised from the \$.015 levy may be used for elementary learning center employees. The bill eliminates this limitation of the use of the tax proceeds.

The bill has no fiscal impact for the state. It may result in a change in how existing funds are spent by the learning community. The learning community indicates it could reduce expenditures for staff by hiring employees rather than contracting for staff. The savings are estimated to be about \$10,500 per year.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB:	398	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY:	Gary Bush	DATE:	01/23/19 PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provided by the agency.			

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

**2019**

**LB<sup>(1)</sup> 398**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Bryce Wilson Date Prepared: <sup>(4)</sup> 1/18/19 Phone: <sup>(5)</sup> 402-471-4320

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB 398 eliminates the exception for how the Learning Community 1.5 cent levy which is required to be used for early childhood education programs for children in poverty. Currently no more than ten percent of the 1.5 cent levy can be used for elementary center employees.

No fiscal impact to NDE or the State.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2019**

**LB<sup>(1)</sup> 398 REVISED**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> David Moon Date Prepared: <sup>(4)</sup> 2/12/2019 Phone: <sup>(5)</sup> (402) 964-2198

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>(\$14,225)</u>	<u>\$0</u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
<b>TOTAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>(\$14,225)</u></b>	<b><u>\$0</u></b>

**Explanation of Estimate:**

With the removal of the lid on salaries expense, the Learning Community expects to receive a savings in contracted services expenses as those areas where the cost benefit of employing staff directly rather than contracting with another vendor results in an increase in staff and related salaries & wages but results in an overall decrease in total expenses.

Most agreements with contractors for the FY 2019-2020 are being negotiated and agreed to during this time of the current Fiscal Year. Therefore, the Learning Community expects to realize any cost savings in the subsequent fiscal year.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Salaries & Wages	<u>0</u>	<u>3</u>	<u>\$0</u>	<u>\$86,559</u>
Benefits.....			<u>\$0</u>	<u>\$3,341</u>
Operating.....			<u>\$0</u>	<u>(\$104,125)</u>
Travel.....			<u>\$0</u>	<u>\$0</u>
Capital outlay.....			<u>\$0</u>	<u>\$0</u>
Aid.....			<u></u>	<u></u>
Capital improvements.....			<u></u>	<u></u>
<b>TOTAL.....</b>			<b><u>\$0</u></b>	<b><u>(\$14,225)</u></b>