

**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			(\$470,000)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>			(\$470,000)	

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

LB 161 dissolves the learning community on July 1, 2020. The learning community includes eleven school districts in Douglas and Sarpy counties. The following provisions of the bill have a fiscal impact.

**Aid to Learning Community:** The bill repeals the requirement for the state to provide aid to the learning community. The repeal results in an annual savings of \$470,000 in general funds beginning in FY2020-21, based upon the amount of aid currently appropriated for FY2018-19.

**Aid to Educational Service Units (ESU's):** The current formula used to distribute aid to ESU's provides \$733,359 of state aid to the learning community in FY2018-19 which is to be used for research and evaluation. The bill repeals the allocation of aid to the learning community. However, the overall amount of aid allocated to ESU's will remain unchanged. The elimination of aid for the learning community will result in an increase in aid for the ESU's receiving aid through the formula.

**Learning Community of Douglas and Sarpy Counties:** The dissolution of the learning community eliminates expenditures of the entity beginning in FY2020-21. The FY2018-19 budget for the learning community projects estimated expenditures of about \$10.3 million. The \$470,000 of general funds provided by the state are used to administer the learning community and pay expenses of the learning community coordinating council. Approximately \$8,051,000 of property tax receipts are used for early childhood education programs and elementary learning centers. State dollars received through the funding formula for aid to educational service units are used for research and evaluation of learning community projects. About \$838,000 is available for this purpose in FY19. The remainder of the budget from the property tax levy, about \$803,000, is used to pay facility leases for the elementary learning centers.

There may be funds remaining on the termination date of the learning community. Assets of the learning community are to be distributed to member school districts. Any remaining records, books, papers and personal property of the learning community are to be allocated to member districts by the State Board of Education. Any liabilities are to be divided proportionally among the member school districts based upon taxable valuation.

**Learning Community Levy Authority:** Current law allows the learning community to levy a maximum of one and one-half cents to provide early childhood education programs for children in poverty and for elementary learning center employees and programs and services. Learning communities are also authorized to levy a maximum of one-half cent for elementary learning center leases, remodeling of facilities, and for up to 50% of focus school or program capital projects. So, a maximum of \$.02 may currently be levied by the learning community. The learning community indicates that \$.015 is levied in the current year for programs and \$.00125 is levied for leases, so the current learning community levy of \$.01625 is not the maximum levy authorized by law. The bill repeals the levy authority for the learning community. Based upon 2018 valuations, a \$.02 tax levy generates about \$11.9 million.

**TEEOSA Aid:** The bill eliminates community achievement plan aid received by school districts in the learning community beginning in FY2020-21. It also eliminates the community achievement plan allowance and focus school and program allowance in FY2022-23. These allowances are available to schools in the learning community. These changes in the formula will have little fiscal impact in terms of the total amount of state aid allocated in the future, but may alter the allocation of aid to schools in the learning community or in a cost group which includes a school in the learning community.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	161	AM:	AGENCY/POLT. SUB: Dept. of Education	
REVIEWED BY:	Gary Bush	DATE:	01/25/19	PHONE: (402) 471-4161
COMMENTS: Included in the FY2018-19 appropriations to Educational Aid program 158 within the Department is \$470,000 of General Funds for the Learning Community Council that would no longer be needed. This would be a permanent savings realized if the bill was enacted. The bill is silent on what, if any, of the current responsibilities of the Learning Community would be transferred to ESU or school districts so agree that the impact of the bill cannot be determined.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	161	AM:	AGENCY/POLT. SUB: ESU Coordinating Council	
REVIEWED BY:	Gary Bush	DATE:	01/25/19	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimated provided by the Coordinating Council.				

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

**2019**

**LB<sup>(1)</sup> 161**

**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> 1/16/19 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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 1033 eliminates Learning Communities and the corresponding Learning Community Coordinating Council. The dissolved Learning Communities shall transfer all "assets" to member school districts and any remaining personal property, records, etc., are to be transferred to the State Board who in turn is to distribute those things to member school districts.

The elimination of the Learning Community and Learning Community Coordinating Council would reduce some costs to the state at least initially but school districts or ESU's would need to carry out some if not most of the Learning Communities responsibilities which would increase their costs. The funding currently allocated to the Learning Community as part of the Core Service funds would be allocated to the ESU's.

Fiscal impact cannot be determined at this time.

**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.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2019**

**LB<sup>(1)</sup> 161**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Educational Service Unit Coordinating Council

Prepared by: <sup>(3)</sup> David M Ludwig Date Prepared: <sup>(4)</sup> 1-22-19 Phone: <sup>(5)</sup> 402/597-4915

**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:

“No Fiscal Impact”

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</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> 161**

**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>\$ 10,479,183</u>	<u>\$ 11,005,950</u>	<u>\$ 0</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>	<u><b>\$ 10,479,183</b></u>	<u><b>\$ 11,005,950</b></u>	<u><b>\$ 0</b></u>	<u><b>\$ 0</b></u>

**Explanation of Estimate:**

The bill calls for the dissolution of the Learning Community of Douglas and Sarpy Counties on July 1<sup>st</sup>, 2020. All revenues and expenses are therefore ended by FY 2020-21.

**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>                    </u>	<u>                    </u>	<u>\$849,515</u>	<u>\$ 0</u>
Benefits.....	<u>                    </u>	<u>                    </u>	<u>\$141,658</u>	<u>\$ 0</u>
Operating.....	<u>                    </u>	<u>                    </u>	<u>\$8,667,476</u>	<u>\$ 0</u>
Travel.....	<u>                    </u>	<u>                    </u>	<u>\$16,025</u>	<u>\$ 0</u>
Capital outlay.....	<u>                    </u>	<u>                    </u>	<u>\$804,509</u>	<u>\$ 0</u>
Aid.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>\$ 0</u>
Capital improvements.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>\$ 0</u>
<b>TOTAL.....</b>	<u>                    </u>	<u>                    </u>	<u><b>\$10,479,183</b></u>	<u>                    </u>