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LB 1125

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1125 pertains to the early childhood endowment and education grant program for at-risk children, birth to age three. The bill clarifies that only earnings from the private endowment for early childhood education are to be deposited in the Early Childhood Education Cash Fund. The bill also requires the earnings to be deposited at least annually rather than quarterly. The eligibility of educational service units to receive early childhood grants is eliminated. The bill provides for the use of up to 15%, rather than 5%, of funds in the Early Childhood Grant Program for evaluation and technical assistance.

The bill does not have a fiscal impact in terms of changing the total amount of funds for the early childhood program. It changes the allocation of funds. Assuming annual funding of \$2 million for the program, the bill provides for up to \$300,000 of cash funds, rather than \$100,000 of cash funds to be used for evaluation and technical assistance. The change will decrease the amount which may be provided as grants for early childhood programs by \$200,000.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	William Scheideler	DATE	2/22/08	PHONE	471-2526
COMMENTS					
<p>NEBRASKA DEPARTMENT OF EDUCATION: Generally concur with the Department. However, at the point the private endowment has raised and invested the entire \$20 million the funds available to the Cash Fund will be significantly higher than assumed by the Department in its Fiscal Note. Assuming a 5 percent annual return on the entire \$60 million produces \$3 million in "earnings", and therefore the 79-1104.02 (6) proposed change raising the limit on the use of funds for technical assistance & evaluation may ultimately produce an additional \$300,000 annually that <u>could be</u> reserved for such administrative activities rather than being restricted to early childhood grants.</p>					