

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See Below	

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

LB 62 changes application provisions for a student residing in a learning community who opts to attend school in an option school district which is a member of the learning community in 2009-10. The bill requires an application to be submitted between the effective date of the bill and April 1, 2009. School districts must notify applicants and the State Department of Education (NDE) about acceptances for 2009-10 by April 10, 2009. These provisions have no fiscal impact.

The bill also changes the calculation of state aid for Tax Equity and Educational Opportunities Support Act (TEEOSA). Current law provides for a learning community transportation adjustment in the first two years of a new learning community. The transportation adjustment increases formula need for schools in a learning community by an amount equal to the estimated cost to provide free transportation for students transferring to other schools in the learning community pursuant to subsection (2) of Section 79-611. LB 62 changes the fiscal years of the adjustment in the formula to the second and third years of a new learning community rather than the first and second years of the learning community. So, the transportation adjustment is delayed a year. It will not be part of the calculation of state aid in 2009-10, but instead will be included as an adjustment in 2011-12. Adjustments increase state aid to schools eligible for the adjustment.

The change aligns the learning community transportation adjustment in the state aid formula with the initiation of open enrollment in the new learning community. Open enrollment in the learning community begins in 2010-11. During the first two years of open enrollment in the learning community, the expenses for transportation are not included in the calculation of general fund operating costs because the state aid calculation uses two year old data. Providing a transportation adjustment to schools in the learning community in 2010-11 and 2010-11 covers the costs of transporting eligible students to other schools in the learning community in the year in which the transportation costs are incurred. The change from current law will result in an increase in state aid paid in 2011-12 in the amount of the transportation adjustment. The amount of the transportation adjustment is unknown because the attendance of children in other than the school district of residence in the new learning community is unknown as are transportation costs for such attendance.

The bill also requires NDE to annually certify to each learning community and each member school district the average percentage of students qualifying for free or reduced-price lunches in each school building. Rules and regulations may be adopted to provide for such certification. It is assumed that any additional workload or expenses related to the certification requirement can be handled with the existing resources of the department.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	William Scheideler	DATE	1/16/09	PHONE	471-2526
COMMENTS					
<p>Generally concur.</p>					
<p>The fiscal impact of the Learning Community (LC) Transportation Adjustment, depends upon assumptions of potential student transportation flows within the LC and "per pupil mileage costs" for that transportation.</p>					
<p>The bill appears to loosen option enrollment requirements for those joining a LC district in the current school year. As a result, some LC schools may have less capacity to accept LC students & therefore the transfer of some unknown number of students may be limited. Consequently, fewer would be qualify for aid related to a LC transportation adjustment.</p>					
<p>However, delaying implementation until the second & third full school years of the LC as indicated in section 4 of the bill, probably allows LC schools sufficient time to justify & therefore qualify for the transportation adjustment aid. Without that delay it's unclear whether LC schools would have sufficient information to request the transportation adjustment in the first year. So, an implementation delay would probably result in higher state aid costs related to this transportation adjustment.</p>					