

Revised on 4/3/09 based upon amendments adopted through 4/2/09.

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 549 amends, clarifies and repeals various provisions of current law relating to schools and education. The bill has no fiscal impact for the state. Some of the following sections may have a fiscal impact for school districts.

Section 11 of the amended bill includes the provisions of LB 548 requiring that student records, including academic and any disciplinary material, shall be provided at no charge upon request to any public or private school to which a student transfers. The State Department of Education (NDE) indicates the provision is pursuant to federal law which provides for disciplinary records to be part of a student's education record. The change should have no fiscal impact for school districts.

Section 18 also includes provisions of LB 548 which clarify that requirements for school transportation vehicles shall apply to vehicles used in the transportation of public, private, denominational or parochial school students. Vehicles owned by individuals operating a school which is not accredited or approved do not need to comply with such requirements. NDE indicates the provisions clarify what is currently in pupil transportation regulations which require vehicles used by private schools to transport pupils to comply with bus equipment and design standards. The provisions have no fiscal impact for schools.

Section 22 changes the length of time that a school board, after a vote of its patrons, may contract for the instruction of all or part of its pupils from three to two years. These provisions may result in consolidations of school districts. Consolidations will impact the revenues and expenditures of affected districts.

Section 25 changes current law relating to the free transportation of students who live more than three miles from school. The bill adds an additional category for transportation entitled "partially free transportation". The new language provides for schools to pay an allowance to a student's parent for the miles traveled to and from a location where a student is picked up and dropped off in order to access free transportation, when the distance is greater than three miles. It is assumed the provision will be cost neutral to schools opting to pay parents rather than to provide a route to the residence of a student. However, the actual fiscal impact will depend upon decisions made by local schools.

Section 37 eliminates the requirement for a school board to hold a public hearing on proposed environmental hazard abatement projects, accessibility barrier elimination projects or modifications for life safety code violations, indoor air quality or mold abatement and prevention projects for which a property tax will be levied. The elimination of the requirement will result in a minimal reduction in expenses for the school districts that have such projects.

Section 38 modifies provisions of LB 530 pertaining to the eligibility of children for early childhood education programs. Current law allows early childhood education programs established by school districts or educational service units which are not receiving a grant through the early childhood education grant program or funding through the Tax Equity and Educational Opportunities Support Act (TEEOSA) to serve children who meet the age requirements to attend kindergarten, but are not of mandatory attendance age. The attendance is allowed for one school year only, 2008-09. The bill allows the attendance option for these children for an additional year, in 2009-10.

The bill may have a minimal fiscal impact in terms of reduced state aid for districts in which children that are eligible to attend kindergarten in 2009-10, enroll in an early childhood program as provided by the bill. It is assumed the option to serve these children will not cause an appreciable increase in the cost of early childhood programs for school districts or ESU's because it will be a local decision to accept the children in an early childhood program. NDE indicates that the programs serving these children will not be eligible for Title I federal funds.

The bill, as amended, contains amended the provisions of LB 257, which eliminate the Seamless Delivery System Pilot Project. This project is completed, so the elimination has no fiscal impact. The provisions of LB 461 are also included in LB 549. These provisions pertaining to duties of the Commissioner of Education and the State Board of Education have no fiscal impact.