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PREPARED BY: Sandy Sostad  
DATE PREPARED: January 25, 2012  
PHONE: 471-0054

LB 1020

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$200,000		\$200,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$200,000		\$200,000	

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

LB 1020 is the Nebraska Coordinated School Health Act. The act provides for the State Department of Education (NDE) to annually award grants to school districts for the establishment of school-based health centers. School districts must provide a 50% match to receive funds. Grant funds may only be used for capital construction and startup costs and may not be used for ongoing operations, administration or service delivery costs. School districts are only eligible for one grant per school-based health center and may receive funds for only one school-based center per year. School districts must repay the funds with interest if the school-based health facility is used for a different purpose within five years or receiving a grant.

The bill authorizes grants beginning on July 1, 2012. Grants are to be funded with an annual \$200,000 transfer from the Education Innovation Fund (lottery proceeds) to a newly created Nebraska Coordinated School Health Fund in FY2012-13 through FY2015-16. The annual transfer is increased to \$250,000 beginning in FY2016-17. Any additional public or private funds received by the fund may also be used for grants. NDE is to award 90% of the funds for grants (\$180,000) and may use up to 10% of the fund for administration (\$20,000).

The Education Innovation Fund is currently earmarked per statute for various education programs and initiatives through FY2015-16. Beginning in FY2016-17, current law removes the earmarking of lottery funds for the various programs and provides that the Legislature will determine the use of the fund for education purposes. A cash flow analysis of the fund shows a projected balance of \$4.9 million in the fund on June 30, 2016. However, it should be emphasized that funding for currently earmarked programs may be insufficient if: lottery receipts do not increase as projected; incentives provided for distance education courses exchanged in the state increase more than projected; or, additional programs such as the grants required by LB 1020 are authorized from the fund. The bill will reduce the estimated balance on June 30, 2016 by \$800,000.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	1/27/12	PHONE 471-2526
COMMENTS			
DEPT. OF EDUCATION – Cash funds in the amount of \$200,000 would be transferred annually from the Education Innovation Fund to the newly created Nebraska Coordinated School Health Fund. These funds are currently not appropriated so this would likely increase statewide cash fund appropriations by \$200,000 annually if aid payments to qualifying schools were maximized each year.			
The Dept. is authorized 10%, or \$20,000, for the administrative costs annually. However, the promulgation of rules; the reviewing of relatively very few, if any, grant applications per year; and the disbursing of very few aid payments should incur minimal additional operational costs.			

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LEGISLATIVE FISCAL

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

LB<sup>(1)</sup> 1020 FISCAL NOTE

State Agency OR Political Subdivision Name: (2)

Nebraska Department of Education

Prepared by: (3) Julane Hill

Date Prepared: (4) 1/20/12

Phone: (5) 402-471-4352

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0	0	0	0
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	0	\$200,000	0	\$200,000
<b>TOTAL FUNDS</b>	<b>0</b>	<b>\$200,000</b>	<b>0</b>	<b>\$200,000</b>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate: \$200,000 will be transferred from the Education Innovation Fund to the Coordinated School Health Fund on or after July 1, 2012. 90% of the CSH Fund will be provided in grants to school districts and the other 10% will be provided to NDE to implement the CSH program. Duties would be absorbed by the Health Education Section within NDE to implement requirements of the CSH Act.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013 EXPENDITURES	2013-2014 EXPENDITURES
	12-13	13-14		
Benefits.....				
Operating.....			\$20,000	\$20,000
Travel.....				
Capital outlay.....				
Aid.....			\$180,000	\$180,000
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$200,000</b>	<b>\$200,000</b>