

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$13,724,814		\$17,456,368	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$13,724,814</b>		<b>\$17,456,368</b>	

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

LB 410 changes various provisions relating to education.

Section 5 eliminates provisions requiring the State Department of Education (NDE) to reimburse option school districts for transportation expenses paid to parents of option students. School districts are still responsible to reimburse the parents of option students for eligible expenses.

Current law provides for the state payment to be prorated if insufficient funding is available to pay all of the claims each year. The state has not provided any funding for option transportation payment since FY2001-02. The state provided \$228,565 of general funds for option transportation claims in FY02. The bill eliminates state aid for this purpose. No savings is projected in FY14 and FY15, since no appropriation has been authorized for option transportation aid.

Section 10 redefines general fund operating expenditures for purposes of calculating school aid (TEEOSA). Beginning in FY2013-14, general fund operating expenditures will include tuition paid and transportation fees paid to other districts. The inclusion of these expenditures as general fund operating expenditures increases state aid by an estimated \$13.7 million in FY14 and \$17.5 million in FY15.

Section 11 changes the calculation of the student growth adjustment in the state aid formula (TEEOSA) to use average daily membership rather formula students in the calculation. NDE indicates the change makes the factors used in the calculation consistent so the student growth adjustment can be calculated correctly.

Section 12 removes an exclusion from the budget limitation for school districts for expenditures to pay another district for the transfer of land from a district. The exclusion has not been used in the past, so the elimination of the exclusion is not projected to have a fiscal impact for schools.

Section 23 increases the minimum and maximum amounts that are to be maintained for the Tuition Recovery Cash Fund. Current law requires the fund to be maintained at a minimum of \$150,000 to a maximum of \$300,000. The bill increases the minimum to \$250,000 and the maximum to \$500,000. The balance of the fund on January 31, 2013 was \$281,847. The fund increases each month based upon interest received and will probably reach the maximum allowed by law sometime in the next biennium. Current law provides for the State Board of Education to use funds received in excess of the maximum to provide grants or scholarships for students attending private postsecondary schools.

Section 24 provides for the State Department of Education to use the annual financial report from the immediately preceding fiscal year to compute school aid (TEEOSA) if a school district fails to file the annual finance report on or before the date required by law. The use of an annual finance report from a prior year may impact the amount of state aid distributed.

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**2013**

**LB<sup>(1)</sup> 410 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> NDE/School Finance & Organization Services

Prepared by: <sup>(3)</sup> Inbody, Bergquist Date Prepared: <sup>(4)</sup> 1-29-2013 Phone: <sup>(5)</sup> 1-4320

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-2014</u>		<u>FY 2014-2015</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>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

**Explanation of Estimate:**

This is the Department of Education’s technical bill for the 2013 Session. The bill repeals obsolete statutory language and/or harmonizes education statutes with current practices. The subject matter of the statutes identified in the bill include provision regarding rules and regulations, kindergarten admission, enrollment option, access to school files, attendance reporting, pupil transportation, early childhood education, the Tax Equity and Educational Opportunities Support Act, educational service units, distance education reimbursement, learning community reporting, disclosure of certain records and private postsecondary schools.

The bill has the Emergency Clause.

**Fiscal Impact:**

To NDE: There is no fiscal impact to the Department of Education.

To School Districts: There is no fiscal impact to school districts.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-2014</u>	<u>2014-2015</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____