

Updated for the 2014 Session. Includes any amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 438 amends the Quality Education Accountability Act. The bill requires the State Board of Education to designate priority schools based upon school and district performance scores beginning with data from the 2013-14 school year. Priority schools are to be in the lowest performance category. No more than five schools may be designated priority schools at one time. The State Board is to appoint an intervention team of up to five members to collaborate with a priority school to develop a progress plan to be approved by the State Board. The plan is to include actions to remove the school's designation as a priority school. After the fifth year a school has been deemed a priority school, the state board is to determine whether plan revisions are necessary. An annual report is required by the State Department of Education (NDE) identifying priority schools and the progress made.

The bill also provides that any public school may become a community school through the formation of an operating council. Upon receiving a request to become a community school, the school board shall hold an operating council meeting. The operating council consists of three to six members and is advisory to the superintendent, school board, and principal of the community school. The operating council is to have an opportunity to meet with the principal of the school at least once each month.

NDE Operating Expenses: NDE indicates the need for 4.0 FTE to oversee the priority schools in the state. This fiscal note assumes NDE will add one Education Specialist to oversee the program and be a part of intervention teams in the state at an estimated cost of \$109,990 of general funds in FY15 and \$114,300 in FY16.

Intervention Teams: The bill does not specify whether a school district or the state is to fund the cost of intervention teams. It is assumed the state will incur the expenses for intervention teams appointed to assist priority schools. There will be a maximum of five teams each year. The cost of the teams will depend upon the plan developed to assist a priority school district. NDE indicates the plans may call for teams to contract with education specialists for activities such as curriculum alignment, professional development, instructional strategies, and interventions for at-risk students. NDE estimates about \$200,000 per year for contracts pursuant to progress plans. It is assumed there will be other costs for team members of at least \$100,000 per year for expenses.

The bill does not provide for aid to be given to priority schools. The fiscal note prepared by NDE projects the need for \$700,000 of aid to be given annually to each of the five schools designated as a priority school. This fiscal note does not assume aid is provided to priority schools.

Operating Councils: The bill allows schools to become community schools through the formation of an operating council. It is assumed the cost of operating councils will not be significant and will be funded by school districts. An increase in expenditures by districts for operating councils may increase the amount of state aid distributed, two years after the spending increase occurs.

Summary: It is assumed the bill will have a general fund fiscal impact of at least \$409,990 in FY15 and \$414,300 in FY16 to fund one FTE at NDE, the costs of intervention teams and contractual services to improve the performance of five priority schools. Since the bill does not specifically provide for aid to priority schools, this was not included in the fiscal impact of the bill.