

Revised on 3/7/14 to reflect amendments adopted through 3/5/14.

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	\$81,544		\$776,832	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$81,544		\$776,832	

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 2014-15 school year. Priority schools are to be in the lowest performance category. No more than three schools may be designated priority schools at one time. Progress plans for the initial three schools chosen as priority schools shall be approved by the state board no later than August 1, 2016.

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. Members of the intervention team who are not employees of the school district are to be paid for their work and reimbursed for expenses by the State Department of Education (NDE). The school district is responsible for pay and the reimbursement of expenses for school employees involved with an intervention team.

The plan developed by the intervention team 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, if a new plan should be developed or if an alternative administrative structure is warranted. An annual report is required by NDE identifying priority schools and the progress made.

NDE Operating Expenses: NDE indicates the need for 1.0 Education Specialist to oversee the priority schools program and work with intervention teams and priority schools in the state. The new staff person will be added during the last three months of FY2014-15 to work with experts to determine best practices in school improvement based on research and to prepare to identify the three lowest performing schools. The fiscal impact of the additional employee is \$81,544 of general funds in FY15 and \$120,262 in FY16 and thereafter.

Accountability System and Intervention Teams: The state will incur expenses in FY2015-16 to set up an accountability system which is able to determine the performance of school districts. The accountability system must be in place in order to choose three priority schools pursuant to the bill. NDE estimates about \$656,570 of general fund expenditures in FY16 for contracts for technical assistance in setting standards and establishing performance levels. There may be minimal expenditures in FY16 for intervention teams to develop progress plans.

Beginning in FY2016-17, the state will incur annual expenses for intervention team members and technical assistance for three priority schools. There will be a maximum of three teams each year. The cost of the teams is unknown and will depend upon the plans developed to assist priority schools. 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 that on-going expenses in FY17 and thereafter will be about the same level as in FY16.

School Districts: School districts which are identified as having a priority school may incur some minimal increase in expenses for school district staff who are assigned to work with the intervention teams. It is possible there could be on-going expenses for a district to comply with a progress plan developed by the intervention team or to implement an alternative administrative structure.

LB438
DAS ANALYST COMMENTS

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 438	AM: 1580 / 1240	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Matthew Eash		DATE: 1/15/2014	PHONE: 402-471-4175
COMMENTS: LB 438, AM 1580, delays implementation of new school accountability requirements for one year and further details certain costs that shall be allowable for employing intervention teams. Concur with the Department's original LB438 analysis which did not identify any prior-implementation preparatory costs, so there should be no such costs due to a one-year delay of implementation. The Legislature's original fiscal note for LB 438 appears reasonable, but with no fiscal impact now in FY 2013-14, and also with only a small fraction of annual fiscal impact for the start year FY 2014-15, due to the fact that intervention teams will now not be deployed until FY 2015-16.			

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2013

LB⁽¹⁾ 438
AM 1240 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ EDUCATION

Prepared by: ⁽³⁾ Valorie Foy Date Prepared: ⁽⁴⁾ 12/31/13 Phone: ⁽⁵⁾ 402 471-2495

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	<u>81,544.00</u>	<u> </u>	<u>776,832.00</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>81,544.00</u></u>	<u><u> </u></u>	<u><u>776,832.00</u></u>	<u><u> </u></u>

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

Explanation of Estimate:

It is NDE's understanding that an amendment to AM 1240 will move the dates of identification of schools back one year. Therefore, the previous fiscal note, with the following modifications, is relevant.

In Year 1 of LB 438--2013-2014, one Educational Specialist will be added to the NDE staff for three months: April 2014-June 30, 2014. Travel costs and contractual services are included to allow the Educational Specialist to work with experts to determine best practices in school improvement based on research. In Year 2 of LB 438--2014-2015, NDE will prepare for identification of and intervention in the three lowest performing schools.

Funds in Year 2 include contractual services for technical assistance in establishing performance levels for Nebraska Performance Accountability System [NePAS] indicators.

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>
Education Specialist IV 1.00 FTE	<u>1 (3 mo.)</u>	<u>1</u>	<u>14,798.00</u>	<u>60,523.00</u>
Benefits.....			<u>7,732.00</u>	<u>34,737.00</u>
Operating.....			<u>54,014.00</u>	<u>606,572.00</u>
Travel.....			<u>5,000.00</u>	<u>75,000.00</u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u><u>81,544.00</u></u>	<u><u>776,832.00</u></u>