

Revised on 1/24/14 to reflect amendments adopted through 1/23/14.

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				
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 470 is the Superintendent Pay Transparency Act. The bill requires school boards and boards of educational service units (ESU's) to publish a copy of a proposed contract or amendments to a contract with a school superintendent or ESU administrator at least three days before the board meeting to consider the contract or amendment thereto. The information shall include a reasonable estimate and description of all current and future costs to the school district or ESU pursuant to the contract or amendments. Publication of the information on the school district or ESU web site will satisfy the requirement. Final contracts and amendments are also to be published within two days after the board meeting to approve the contracts. The entities are also required to identify school superintendent and ESU administrator contract costs in their annual budget statement.

After approval of a school superintendent's or ESU administrator's contract or contract amendments, the board is to submit a copy to the State Department of Education (NDE) by the next succeeding August 1st. NDE is required to post all contracts and amendments on the agency's web site.

If contracts are not submitted, after an opportunity to be heard, NDE is to withhold state aid to school districts (TEEOSA) and core services and technology aid to ESU's. Counties are also to be directed to withhold all school money until the information is provided. If a school district or ESU does not comply by October 1 following the school fiscal year for which the state aid or core services and technology infrastructure funding is calculated, then the state aid reverts to the General Fund. The bill is operative on July 1, 2014.

NDE will have a workload increase to post contracts and contract amendments on the department web site. The agency indicates the workload can be absorbed with existing staff and resources since the department is not required to review the contract information. School districts and ESU's may experience a minimal increase in workload to publish copies of proposed and adopted contracts and amendments to contracts. Non-compliance by a school district or ESU will result in decreased state aid and school money obtained from the county. It is assumed there will be few, if any, school districts or ESU's that lose resources due to noncompliance with the provisions of the bill, so no fiscal impact is projected for the General Fund.

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

2014

LB⁽¹⁾ 470 AM444

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

NDE/School Finance & Organization Services

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Date Prepared: ⁽⁴⁾ 12-5-2013

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The amendment (AM44) to the bill will require information on the cost of a contract or an amended contract to become part of the budget document that is filed by a school district or an educational service unit to the State of Nebraska. This provision may require the Auditor of Public Accounts to add a schedule to the budget document that collects the information required by the amended bill.

The amended bill creates the Superintendent Pay Transparency Act. The Act would require a school district and an educational service unit to identify all costs associated with a contract and/or an amendment to a contract for the superintendent of the public school or an educational service unit administrator. The amendment to the bill would require the school district or educational service unit to publish a copy of the contract and/or amendment two days prior to the board of the respective political subdivision considering the contract and/or amendment. The information may be posted on the website of the school district or the educational service unit. The school district and educational service unit would be required to file a copy of the approved contract and/or amendment with the Department of Education by the next succeeding August 1. Failure to file the documents may result in the withholding of state aid, core services funding, and local funds until the filing requirement is met. The Department of Education must post the approved contract and/or amendment on its website.

The amended bill contains the Emergency Clause and an operative date of July 1, 2013.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital improvements	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

LB⁽¹⁾ LB 470
AM444 FISCAL NOTE (continued)

To NDE: There would be no fiscal impact to NDE.

To School Districts & Educational Service Units: The fiscal impact to a school district or an educational service unit would be the cost of publishing copies of the proposed or amended contracts. A dollar amount for this additional cost is unknown at this time.