

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2013-14 | | FY 2014-15 | |
| | 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 585 changes provisions relating to learning communities. There is currently only one learning community in the state which is composed of 11 member districts in Douglas/Sarpy counties. The bill reduces the learning community coordinating council from 18 to 6 members. The transportation of students in a learning community is also changed. Students transferring schools within a learning community will no longer be provided free transportation if they move to another school building within the home school district or transfer to a school district that does not share a common border with the home school district.

It repeals the current authority for a levy of up to \$.01 for elementary learning center programs and eliminates requirements for a learning community to provide elementary learning centers. Achievement subcouncils are repealed by the bill.

The bill changes the disposition of a \$.02 levy that is currently authorized for elementary learning center facilities and remodeling of elementary learning center facilities. The bill provides that the \$.02 levy may be used for early childhood programs for children in poverty. An existing advisory council consisting of superintendents from each school district that is a member of a learning community is to be responsible for the administration of the newly authorized early childhood programs.

Learning Community Board Member and Achievement Council Expenses: The expenditures of the learning community related to board members and achievement council members will decrease by an unknown amount due to a decrease in the number of board members and elimination of achievement subcouncils.

Transportation: The bill will have an unknown fiscal impact in terms of decreased transportation expenditures for school districts in the learning community and possibly state aid (TEEOSA). The number of students who will be ineligible for transportation pursuant to the bill are unknown as is the cost of transportation for such students.

The State Department of Education indicates schools in the learning community spent \$3,279,734 for open enrollment transportation in FY2011-12. Based on this information it is assumed there will be decreased expenditures for school districts of something less than this amount in FY2013-14, depending upon the number of students impacted by the transportation changes in the bill.

It is unknown how decreased transportation expenditures by school districts in the learning community will impact future state aid payments beginning in FY2015-16. Any change in state aid is dependent upon how decreased spending for transportation impacts the calculation of basic funding for districts and whether the needs stabilization offsets decreases in basic funding.

Elementary Learning Centers: The repeal of the \$.01 levy for elementary learning centers decreases property taxes collected by the learning community by about \$4.8 million beginning in FY14, based upon collections in 2012. Likewise, expenditures for elementary learning centers will decrease by this amount.

Early Childhood Programs: The bill redirects the usage of a currently authorized \$.02 levy to be used for early childhood programs. Levying the maximum generates about \$9.6 million based upon collections in 2012. The levy proceeds may still be used for up to 50% of the cost of focus school or program capital projects. The change should have no fiscal impact in terms of the amount authorized to be levied. However, the learning community has not always levied the maximum amount allowed pursuant to this levy each year. A change in the use of the levy proceeds for early childhood education may result in different decisions regarding the amount levied for programs.

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | |
|---|-----------------|--|
| LB: 585 | AM: | AGENCY/POLT. SUB: Department of Education |
| REVIEWED BY: Matthew Eash | DATE: 2/25/2013 | PHONE: 402-471-4175 |
| COMMENTS: LB 585 would still require school districts to provide free transportation to some open enrollment students, but expenditures would likely decrease as a result of the restrictions added in the bill. There is insufficient data available with regard to number of students who would be impacted and the costs those students currently incur. The reduced spending would likely result in a decrease to TEEOSA State Aid, beginning in FY 2015-16, but the actual impact cannot be estimated. | | |

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | |
|--|-----------------|--|
| LB: 585 | AM: | AGENCY/POLT. SUB: Learning Community of Douglas/Sarpy Counties |
| REVIEWED BY: Matthew Eash | DATE: 2/25/2013 | PHONE: 402-471-4175 |
| COMMENTS: LB 585 appears to eliminate the authority for the LC to pay its council members reimbursement of "reasonable expenses related to service on the learning community coordinating council." The LC's current level of such expenditures would be saved beginning in FY 2013-14. There is no basis to disagree with the estimate of an additional \$4.8 million in receipts and expenditures of property tax. | | |

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

2013

LB⁽¹⁾ 585 FISCAL NOTE

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

Prepared by: ⁽³⁾ Inbody, Bergquist Date Prepared: ⁽⁴⁾ 1-29-2013 Phone: ⁽⁵⁾ 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 | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

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

Explanation of Estimate:

This bill would change the membership of a learning community council from 18 voting members (12 elected and 6 appointed) to 6 appointed voting members. The bill would change the levy authority for a learning community council to levy for early childhood education programs rather than elementary learning centers.

School districts that are members of a learning community would not be required to provide free transportation for open enrollment students. Achievement subcouncils would not be required to approve Poverty Plans or Limited English Proficiency (LEP) Plans for school districts that are members of a learning community.

The bill would allow one or more members of a learning community to establish a pathway program and provides the criteria for selecting students for a pathway program. The bill provides specific duties and responsibilities for the advisory council of a learning community coordinating council.

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..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |

Fiscal Impact:

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

To School Districts: There would be a decrease in Total Regular Pupil Transportation Open Enrollment in Learning Community expenditures. In school fiscal year 2011/12, the school districts that are members of the Douglas-Sarpy County Learning Community spent \$3,279,734 for open enrollment transportation. This decrease in expenditures may cause a shifting of statewide State Aid (TEEOSA) dollars. An estimate of this shifting of State Aid (TEEOSA) is not available at this time.

To a Learning Community: Additional costs may be incurred with the establishment of pathway programs. The Learning Community of Douglas-Sarpy Counties reported \$4,267,375 of expenditures in 2011/12 for the administration and operation of elementary learning centers. An estimate of the additional expenditures for establishing pathway programs is not available at this time.

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

2013

LB⁽¹⁾ 585 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Learning Community of Douglas and Sarpy Counties

Prepared by: (3) Brian Gabriel Date Prepared: (4) 1/29/13 Phone: (5) 402-964-2198

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2013-14</u> | | <u>FY 2014-15</u> | |
|--------------------|---------------------|--------------------|---------------------|--------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | \$0 | \$0 | \$0 | \$0 |
| CASH FUNDS | \$0 | \$0 | \$0 | \$0 |
| FEDERAL FUNDS | \$0 | \$0 | \$0 | \$0 |
| OTHER FUNDS | \$4,800,000 | \$4,800,000 | \$4,800,000 | \$4,800,000 |
| TOTAL FUNDS | \$4,800,000 | \$4,800,000 | \$4,800,000 | \$4,800,000 |

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

Explanation of Estimate:

LB 585 would eliminate the Elementary Learning Centers and would therefore eliminate the ELC levy of \$0.01. However, in its place, the bill changes what would have formerly been the Capital Projects levy to a levy for “early childhood education programs for children in poverty”. The maximum levy amount on this levy would be \$0.02. So in essence a \$0.01 levy yielding \$4.8 M would be replaced by a \$0.02 levy yielding \$9.6 M.

While it is unknown on what programs the new levy will be spent, the following programs currently funded under the existing levy would be eliminated:

- Extended Learning Programs - \$1.1 M serving 3,713 children
- Jump Start Programs - \$560 K serving 1,231 children
- Family Literacy - \$800 K serving 240 families
- Literacy Coaching - \$1.27 M serving 630 teachers
- Family Support - \$960 K serving 1,520 families
- Connections Project - \$100 K serving 20 families

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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