

Revised on 4/11/13 to reflect amendments adopted through 4/10/13.

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 transportation of students in a learning community is changed by the bill. 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. Students who had been receiving free transportation to a school building within a district prior to the effective date of the bill will continue to receive such.

The bill reduces the \$.02 levy that is currently authorized for elementary learning center facilities and remodeling of elementary learning center facilities to \$.005. It also increases the learning community levy for elementary learning centers from \$.01 levy to \$.015 and expands the usage of this levy to early childhood education 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 submit a plan to the learning community coordinating council providing for the implementation and administration of early childhood programs for children in poverty.

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.

Learning Community Capital Facilities Levy: The \$.015 reduction in the levy from \$.02 to \$.005 for learning community capital facilities could decrease property taxes collected by the learning community by about \$7.2 million beginning in FY14, based upon valuations in 2012. However, the learning community has not used the levy in the last two years and indicates there are no plans to levy above \$.005 in the next two fiscal years.

Elementary Learning Center Levy: The bill increases the levy by \$.005 for elementary learning center programs and services, employees and contracts with other entities. It also allows the levy to be used for early childhood programs for children in poverty. An additional half cent generates about \$2.4 million based upon valuations in 2012. The levy proceeds may be used for early childhood education programs for children in poverty or for any of the activities currently authorized by state law. The actual fiscal impact will depend upon whether the learning community levies the additional half cent and how any increase in property tax receipts is allocated for activities.

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

2013

**LB⁽¹⁾ 585
AM 832 FISCAL NOTE**

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

Prepared by: ⁽³⁾ Inbody, Bergquist Date Prepared: ⁽⁴⁾ 4-1-2013 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:

AM832 changes the currently authorized levy of \$.01 for elementary learning center facilities and remodeling of elementary learning center facilities to \$.015 for early childhood programs for students in poverty and for elementary learning center facilities and remodeling of elementary learning center facilities.

The amendment establishes specific duties for an advisory committee. AM832 requires an advisory committee to submit an early childhood education plan to the learning community coordinating council. The advisory committee is required to seek input from member school districts and community resources when developing this plan.

The provisions for no longer being required to provide free learning community enrollment transportation from the introduced bill are part of AM832.

AM832 does not change the number of board members of a learning community coordinating council.

The fiscal impact to NDE and School Districts does not change from the Fiscal Note for the introduced bill.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

LB⁽¹⁾ 585
AM 832 **FISCAL NOTE (continued)**

The fiscal impact to the Learning Community of Douglas-Sarpy Counties will be the additional revenue that will be generated by the authority to levy \$.015 for early childhood education programs and elementary learning center facilities and remodeling of elementary learning center facilities. The table printed below reflects the increased revenue, based on the 2012/13 budget of the Learning Community of Douglas-Sarpy Counties, for the additional levy authority provided in AM832.

2012/13 Assessed Valuation	48,031,259,456	
	\$.01 Levy	\$.015 Levy
Personal & Real Property Taxes	4,803,126	7,204,689
County Treasurer's Commission	48,512	72,767
Total Personal & Real Property Taxes	4,851,638	7,277,456
Increase in Revenue from Property Taxes		2,425,818

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2013

LB⁽¹⁾ 585 FISCAL NOTE AM832

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

Prepared by: (3) Brian Gabrial Date Prepared: (4) 4/3/13 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	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000
TOTAL FUNDS	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000

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

Explanation of Estimate:

AM 832 to LB 585 would increase limit of the ELC levy from \$0.01 to \$0.015. This would result in an additional \$2.4M levy funds to be collected and used for early childhood education for children in poverty or any of the other permissible uses of the levy outlined in the statute.

It would also decrease the limit of the Capital Project levy from \$0.02 to \$0.005, however, the Learning Community has not activated this levy last year nor the prior year and further by any reasonable estimate had no intention of levying beyond \$0.005 in the next two fiscal years.

There are also changes to transportation rules surrounding open enrollment in AM 832 to LB 585. These changes would have no fiscal impact with respect to the budget of the Learning Community of Douglas and Sarpy Counties. However, it may impact the budget of the school districts within the Learning Community of Douglas and Sarpy Counties as they would no longer be required to provide transportation to some open enrolled students. If the transportation budget of a school district were to change, this would also likely have an impact on the amount of formula needs as calculated in the state aid formula. This would affect not only the overall level of equalization aid allocated to the 11 member school districts of the Learning Community of Douglas and Sarpy Counties but also the distribution of needs within the Learning Community which would alter the distribution of state aid funds and funds received through the common levy.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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