

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 682 requires that any school district in the state with fewer than 650 students in grades kindergarten through twelve for at least two consecutive school years shall form an allied system with at least three other school districts with less than 650 students so the minimum number of students in the system is 1,300. The allied system shall be formed on or before July 1, 2015. If the system is not formed by this date, then the Commissioner of Education is required to form the system. School districts with 650 or more students may join an allied system.

School districts in an allied system are required to participate in an interlocal agreement which shall include having the same yearly calendar and daily schedule beginning in school year 2016. The districts are not required to combine or coordinate revenue, spending, taxation, state aid or any financial elements.

It is assumed the State Department of Education can handle the requirements of the bill with regard to forming and monitoring allied systems using existing staff and resources in FY2014-15 and beyond.

The bill appears to apply to public and private school districts in the state. If so, then 85% of the school districts in the state, or 376 of 444 districts will be required to form allied systems. If the bill only applies to public school districts, then 75% of the districts (188 out of 249) will have to form allied systems. School personnel will experience a workload increase to develop interlocal agreements which must include like school calendars and daily schedules. It is possible that changes to school calendars or schedules may have a fiscal impact for some school districts. It is unknown if the requirement for the allied systems to have interlocal agreements will result in any cooperative arrangements which will impact school expenditures and revenues.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 682	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Matthew Eash		DATE: 1/24/2014	PHONE: 402-471-4175
<p>COMMENTS: The requirements placed upon the Commissioner of Education are contingent in nature—only if school districts fail to comply--although if ever needed, such requirements could incur a nominal fiscal impact to the Department. Such contingent actions and associated costs cannot be predicted; therefore, no fiscal impact can be assigned to the Department at this time.</p> <p>There is insufficient information available to measure or predict any fiscal impact to school districts for joining an alliance, although it is likely that there would be costs associated with homogenizing school calendars and class periods. Any such costs would add to a school district's general fund operating expenditures (GFOE)--the primary "needs" component of the TEEOSA State Aid formula--which may result in a small increase to the aggregate computation of State Aid two fiscal years after the alliance-joining costs are incurred.</p>			

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

2014

LB⁽¹⁾ 682

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾ Freida Lange

Date Prepared: ⁽⁴⁾ 1/16/2014

Phone: ⁽⁵⁾ 402-471-2444

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	1610.00	0.00	1659.00	0.00
CASH FUNDS	0.00	0.00	0.00	0.00
FEDERAL FUNDS	0.00	0.00	0.00	0.00
OTHER FUNDS	0.00	0.00	0.00	0.00
TOTAL FUNDS	1610.00	0.00	1659.00	0.00

Explanation of Estimate:

Monitoring and implementation of “allied” systems would involve no new staff with the review responsibility being assimilated into day-to-day operations and delegated to existing staff members. Communication and data processing costs would be incurred, but at low usage rates. The potential of travel to build awareness and support would be an ongoing expense, but would be at a percentage designated as “low” within travel budgets.

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>
Assimilated in existing positions	0.00	0.00	0.00	0.00
Benefits.....			0.00	0.00
Operating.....			525.00	541.00
Travel.....			1085.00	1118.00
Capital outlay.....			0.00	0.00
Aid.....			0.00	0.00
Capital improvements.....			0.00	0.00
TOTAL.....			1610.00	1659.00