

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$100,000		\$100,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$100,000		\$100,000	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB132 creates the School Finance Review Commission.

The commission will consist of the following sixteen members:

- The Commissioner of Education or his/her designee (Chairperson)
- One representative of the Governor appointed by the Governor
- One representative of postsecondary education with expertise in school finance
- One member of the Educational Service Unit Coordinating Council
- One school board member and One school administrator each representing a school district with not more than one thousand two hundred students
- One school board member and One school administrator each representing a school district with more than one thousand two hundred students but not more than ten thousand students
- One school board member and One school administrator each representing a school district with more than ten thousand students
- Six members from the state at large:
 - Two from each congressional district, who reside in school districts of varied sizes and with varying percentages of Limited English proficiency students and poverty students
 - At least one of the members appointed will have experience teaching in a public school as a certificated teacher
 - At least one will have experience in business
 - At least one will have experience in an agriculture-related business

The School Financing Review Commission will conduct an in-depth review of the financing of the public elementary and secondary schools. As a part of the review, the commission will submit the following reports:

- Prepare a report on the progress of the work of the commission and submit it electronically to the Legislature on or before December 31, 2021
- Prepare a preliminary report and present it to the Legislative Council in November 2022.
- A final report with recommendations on maintaining adequate and equitable funding for public schools in light of information gathered through the review will be presented to the Governor, the State Board of Education, and electronically to the Legislature by December 1, 2022.
- On or before July 1 of each even-numbered year beginning in 2024 and ending in 2030, the School Financing Review Commission will report to the Governor, to the State Board of Education, and electronically to the Legislature on the adequacy of school funding sources.

Members of the commission will not be compensated but will be reimbursed for expenses incurred as provided in §81-1174 to §81-1177. As was the case with prior School Finance Review Commissions, it would be necessary to contract with a school finance consultant to provide support and resources at least initially for this Commission to be able to meet the requirements in this bill. The fiscal impact of this would be used to cover the costs of the consultant for the next two years and to reimburse the committee for expenses incurred as a result of their participation in the commission.

CONTINUED

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 132 (Revised) AM: AGENCY/POLT. SUB: Nebraska Department of Education

REVIEWED BY: Gary Bush DATE: 1/12/21 PHONE: (402) 471-4161

COMMENTS: Disagree with the agency's estimate that a consultant would need to be hired for the proposed commission. There would be a fiscal impact to the agency for reimbursement of expenses incurred by the members of the commission.

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

2021

LB⁽¹⁾ 132 REVISED

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/8/21 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$100,000		\$100,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$100,000</u>		<u>\$100,000</u>	

Explanation of Estimate:

LB 132 creates the School Finance Review Commission. Members of the commission will not be compensated but will be reimbursed for expenses incurred as a result of their participation in the commission. As was the case with prior School Finance Review Commissions it would be necessary to contract with a school finance consultant to provide support and resources at least initially for this Commission to be able to meet the requirements in this bill. The one hundred thousand identified in the fiscal note would be used to hire a consultant and reimburse the committee for expenses incurred as a result of their participation in the commission.

The commission shall consist of sixteen members, including:

- (a) The Commissioner of Education or his or her designee (Chairperson);
- (b) One representative of the Governor appointed by the Governor;
- (c) One representative of postsecondary education with expertise in school finance;
- (d) One member of the Educational Service Unit Coordinating Council;
- (e) One school board member and one school administrator each representing a school district with not more than one thousand two hundred students;
- (f) One school board member and one school administrator each representing a school district with more than one thousand two hundred students but not more than ten thousand students;
- (g) One school board member and one school administrator each representing a school district with more than ten thousand students;
- (h) Six members from the state at large:
 - Two from each congressional district, who reside in school districts of varied sizes and with varying percentages of limited English proficiency students and poverty students.
 - At least one of the members appointed pursuant to this subdivision shall have experience teaching in a public school as a certificated teacher,
 - At least one shall have experience in business,
 - At least one shall have experience in an agriculture-related business.

• The School Financing Review Commission shall conduct an in-depth review of the financing of the public elementary and secondary schools. As a part of such in-depth review, the commission shall: including:

A final report with recommendations on maintaining adequate and equitable funding for public schools in light of information gathered through the review shall be presented to the Governor, the State Board of Education, and electronically to the Legislature by December 1, 2022.

On or before July 1 of each even-numbered year beginning in 2024 and ending in 2030, the School Financing Review Commission shall report to the Governor, to the State Board of Education, and electronically to the Legislature on the adequacy of school funding sources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits				
Operating			\$100,000	\$100,000
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			\$100,000	\$100,000