

MSA

PREPARED BY: Sandy Sostad
DATE PREPARED: February 03, 2011
PHONE: 471-0054

LB 403

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$500,000		\$500,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$500,000		\$500,000	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 403 changes the distribution of the Education Innovation Fund beginning in FY2011-12 through FY2015-16. Currently, the fund is allocated on an annual basis as follows: \$1 million to the Excellence in Teaching Cash Fund to fund the Excellence in Teaching Act; administrative expenses; and, the remainder for distance education equipment and incentives. The bill increases the annual allocation for the Excellence in Teaching Act by \$500,000, to \$1.5 million.

The \$500,000 increase in allocations from the fund will increase cash fund expenditures by \$500,000 each year. The Education Innovation Fund has a sufficient balance to fund the cumulative \$2.5 million increase in the Excellence in Teaching Act over the five year period covered by the bill.

Current law provides for up to \$400,000 of the funds allocated to the Excellence in Teaching Act to be distributed via the Excellence in Teaching Program and the remainder is used for the Enhancing Excellence in Teaching Program. Based on this, the increased funding in the bill will be allocated through the Enhancing Excellence in Teaching Program to provide loans to teachers who are improving their skills by taking graduate education programs.

The State Department of Education indicates that existing staff and resources can handle the increased workload associated with an expansion of the Excellence in Teaching Act.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matt Eash	DATE	2/10/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF EDUCATION – ADULT PROGRAM SERVICES-TEACHER EDUCATION: Concur with NDE.					

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LB 403 FISCAL NOTE

2011

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: Adult Program Services - Teacher Education

Prepared by: Sharon Katt, Mike Kozak, Henry Rodriguez

Date Prepared: 1/20/11

Phone: 471-2405

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$500,000		\$500,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	500,000		500,000	

MAJOR OBJECTS OF EXPENDITURES

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2011-12	2012-13
	11-12	12-13	EXPENDITURES	EXPENDITURES
Benefit				
Operating				
Travel				
Capital outlay				
Aid			\$500,000	\$500,000
Capital improvements				
TOTAL			\$500,000	\$500,000

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

Explanation of Estimate:

Although LB403 lacks detail, it is assumed that all of the funds (\$1,500,000) flow-through the department to Excellence in Teaching (ETA) scholarship/loan recipients. Details provided in LB403 are not sufficient to determine implications for the Excellence in Teaching Act operations. Under the current Excellence in Teaching Act (ETA) program, the \$1,000,000 is split into \$400,000 for initial teacher preparation candidate awards and \$600,000 is awarded to individuals seeking Master's degrees in education-related fields. No funds are set-aside in the current \$1,000,000 for operations. LB403 does not provide any details other than the amount of funds to the ETA will increase by \$500,000.

Operations for the ETA are funded under Program 161. If LB403 is passed, we believe that the budget currently available from that source will be adequate to absorb the additional management costs for the \$500,000.

LB403 shifts the funds away from distance education incentives and equipment reimbursements; however, while we budget for 100% participation annually, not all of the NE districts and ESUs have requested reimbursements or applied for incentives so there has always been a balanced in the fund. Although LB 403 shifts funds, the actual funding level for distance education equipment and incentives is an unknown.