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PREPARED BY:  
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Sandy Sostad  
January 24, 2012  
471-0054

**LB 1144**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See Below	

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

LB 1144 allows a school district, with the approval of the State Department of Education (NDE), to establish and operate a career academy school. Career academy schools shall have a career-based curriculum based upon criteria determined by NDE and shall serve students in grades 7 – 12. The curriculum shall focus on mathematics, science and technology with a transition component to prepare students for the workforce, including, internships, job training and skills training.

The bill amends the Tax Equity and Educational Opportunities Support Act (TEEOSA) to provide for a career academy school allowance for school districts operating such schools beginning in FY2013-14. The allowance is defined as the statewide average general fund operating expenditure per formula student multiplied by .10, and that amount is multiplied by the number of students in the career academy. Adjustments are made in the calculation in the second fiscal year of the allowance to account for using estimates in the initial year of the allowance.

The number of school districts which will opt to establish career academies and the number of students who will attend such academies is unknown. The fiscal impact of the bill for school districts and the state depends upon whether the costs of establishing and operating academies are equal to, less than or more than what would have been spent on the students in the absence of the academy. If spending by school districts increases or decreases pursuant to the bill, then state aid may increase or decrease two years after the change in spending occurs.

State aid may also be impacted due to the addition of a career academy school allowance. An allowance in the formula for a particular activity (i.e. career school) attributes expenditures for that purpose to a school district actually incurring the expenditures. In this instance the allowance is not based upon the actual expenditures by a district, but is a calculated amount based upon taking 10% of the statewide average cost per formula student times the number of students in a career academy. The allowance reduces the amount of basic funding available in the formula by the amount of the allowance and increases funding for schools able to take advantage of the allowance, which should alter the distribution of state aid between school districts. However, it is possible that the new allowance could increase total state aid by an indeterminate amount depending upon how the change in basic funding interacts in the formula with the averaging adjustment or needs stabilization component.

NDE will have an increased workload to approve career academy schools and determine criteria for a career-based curriculum. It is assumed the department can handle the workload increase with existing staff and resources.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	1/26/12	PHONE 471-2526
<p>COMMENTS</p> <p>DEPT. OF EDUCATION</p> <p>Impact to School Districts: There is no basis to assume the number of career academy schools that would be created or to estimate the cost to any or all of such programs that would exceed the operational savings from moving students out of traditional programs. Correspondingly, there is no basis to estimate the impact on overall school budgets.</p> <p>Impact to NDE: There would be no fiscal impact.</p> <p>Impact to TEEOSA: Concur that, in general, allowances in the TEEOSA formula do not significantly impact statewide total TEEOSA school aid, but the Career Academy School Allowance would cause a redistribution of aid from school districts that chose not to create career academies to school districts that did, particularly those districts of comparable size (i.e., within the same basic funding array).</p> <p>POSTSECONDARY EDUC. COORDINATING COMM. – Concur.</p>			

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LEGISLATIVE FISCAL

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

LB<sup>(1)</sup> 1144 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Department of Education

Prepared by: (3) Russ Inbody Date Prepared: (4) January 23, 2012 Phone: (5) (402) 471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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 add a career academy school allowance in the State Aid Formula. NDE would have to approve the career academy school. The purpose and requirements of the school are detailed in the bill.

Political Subdivision: If the State Aid would not cover the costs of the career academy school and the school districts would not reallocate resources there may an increase in costs for the school district. This may mean increased property tax needs.

State: As the proposal adds an allowance to the State Aid formula it may not have a significant impact on the state-wide State Aid costs. There may some redistribution of State Aid among school districts. The amount is unknown as the number of school districts that would add career academy schools is unknown.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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LB<sup>(1)</sup> 1144 FISCAL NOTE

State Agency OR Political Subdivision Name: (2)

Coord. Com. - Postsecondary Educ.

LEGISLATIVE FISCAL

Prepared by: (3) Carna Pfeil

Date Prepared: (4) 1/18/2012

Phone: (5) 471-0029

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0	0	0	0
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	0	0	0	0
TOTAL FUNDS	0	0	0	0

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

Explanation of Estimate:

No Fiscal Impact.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
			0	0
			0	0
Benefits.....			0	0
Operating.....			0	0
Travel.....			0	0
Capital outlay.....			0	0
Aid.....			0	0
Capital improvements.....			0	0
TOTAL.....			0	0