

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	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 9 changes transportation requirements for students in a learning community. Current law requires school districts in a learning community to provide free transportation to students residing in a learning community who transfer pursuant to open enrollment provisions, qualify for free or reduced-price lunches or add to the socioeconomic diversity of the building attended and live more than one mile from the school of transfer. Free transportation is also to be provided to students who attend a focus or magnet school or program and live more than one mile from the school.

The bill eliminates free transportation for students who transfer pursuant to open enrollment provisions, qualify for free or reduced-price lunches and live more than one mile from the school. These would be students who are not currently required to contribute to the socioeconomic diversity of a school. Children attending magnet schools will also no longer be eligible for free 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 participating in open enrollment in the learning community that will be denied free 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.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
<b>LB: 9</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Department of Education</b>	
<b>REVIEWED BY: Matthew Eash</b>		<b>DATE: 2/25/2013</b>	<b>PHONE: 402-471-4175</b>
<p><b>COMMENTS:</b> The Learning Community (LC) December 2011 and 2012 Annual Reports indicate that 37 percent of Open Enrollment students contributed to socioeconomic diversity in those years. <b>LB 9</b> would restrict the provision of free transportation to only these students, so, assuming average costs per student, open enrollment transportation expenditures could decrease by an amount up to 63% of current expenditures. For the 2011-12 school year, LC school districts reported \$3.3 million in total Open Enrollment transportation costs. If <b>LB 9</b> were in effect that year, a 63% decrease in open enrollment transportation expenditures would have resulted in a cost savings to member districts of about \$2.1 million. This approximate amount would likely be reflected as a reduction in TEEOSA State Aid two years later. <b>LB 9</b> would not prohibit schools from voluntarily paying for extra-geographical transportation, so any such expenditures could offset the maximum projected savings. If <b>LB 9</b> went into effect for the 2013-14 school year, then its potential fiscal impact to TEEOSA State Aid would be delayed until FY 2015-16.</p>			

<a href="#">ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</a>		
LB: 9	AM:	AGENCY/POLT. SUB: Learning Community of Douglas/Sarpy Counties
REVIEWED BY: Matthew Eash	DATE: 2/21/2013	PHONE: <a href="tel:402-471-4175">402-471-4175</a>
COMMENTS: Concur that there would be little or no fiscal impact to the Learning Community's organizational budget.		

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

**2013**

**LB<sup>(1)</sup> 9 FISCAL NOTE (revised)**

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

Prepared by: (3) Inbody, Eret Date Prepared: (4) 1-23-2013 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:**

Passage of this bill would eliminate two of the pupil transportation requirements of a learning community school for students living in a learning community.

Currently, schools in a learning community are required to provide free transportation to students residing in a learning community if:

- Student qualifies for free or reduced price lunches
- Student would contribute to the socioeconomic diversity of the enrollment at the school
- Student lives more than one mile from the school to which the student is transferring
- Student is attending a focus school or program and lives more than one mile from the location of the focus school or program.
- Student attends a magnet school or program and lives more than one mile from the location of the magnet school or program.

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

If this bill passes, schools in a learning community would be required to provide free transportation to:

- Students residing in a learning community but live more than one mile from the school to which they want to transfer and contributes to the socioeconomic diversity of the enrollment at the school
- Students residing in a learning community attend a focus school or program but lives more than one mile from that location.

Fiscal Impact:

The number of students denied transportation by this change is unknown but associated transportation costs would likely decrease. This bill may decrease transportation costs for schools in a learning community which may in turn lower the district needs in the calculation of TEEOSA.

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

**2013**

**LB<sup>(1)</sup> 9 FISCAL NOTE**

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

Prepared by: (3) Brian Gabrial Date Prepared: (4) 1/17/13 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	_____	_____	_____	_____
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:

LB 9 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.....	_____	_____	_____	_____