

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	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 1049 defines virtual schools. The bill provides that virtual schools and virtual school programs must: be offered for credit; use distance learning technologies, primarily internet-based methods, to deliver instruction; involve asynchronous instruction; require students to demonstrate competency and to progress toward the next grade level and matriculate from kindergarten through high school graduation; and, require completion of state assessment tests. A virtual student is defined to be a student who is enrolled in a virtual school and who is not enrolled in any other public school district. The bill provides for virtual students to be included in average daily membership and fall membership which are used to determine formula students for purposes of computing state aid to schools through the Tax Equity and Educational Opportunities Support Act (TEEOSA).

There are no virtual schools or virtual school educational programs currently provided by public schools. Many public schools provide asynchronous instruction to resident and non-resident students. Resident and tuitioned students in asynchronous programs are already included as formula students for state aid purposes, so the bill will not have any fiscal impact in terms of increased state aid if these students are considered to be virtual students.

The bill will impact the calculation of state aid if virtual schools are created by school districts and the schools enroll exempt (home-school) students, or students who have been educated in private schools but opt to participate in virtual schools. Since the number of exempt school students in the state is currently about 2% of public school students and it is anticipated that a small number of students educated by non-public schools will enroll in virtual schools, the bill may only have a minimal impact in terms of increased formula students for state aid purposes. An increase in formula students may result in an increase in state aid for a district depending upon how an increase in formula students affects basic funding for a district and whether a district qualifies for equalization aid.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 1049	AM:	AGENCY/POLT. Nebraska Department of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/25/16	PHONE: 471-4179
COMMENTS: No basis to disagree with the Department of Education.			

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

2016

LB⁽¹⁾ 1049

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Dept. of Education

Prepared by: ⁽³⁾ Bryce Wilson/Jen Utemark

Date Prepared: ⁽⁴⁾ 1/21/16

Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

If LB 1049 passes as introduced, subdivisions of this section will define virtual schools and redefine fall membership and average daily membership to include virtual schools in the state aid calculation pursuant to TEEOSA specifically as it relates to formula students. Equalization aid is likely to increase, however exact fiscal impact would be too early to determine due to the unknown participation levels expected from these virtual schools.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____