

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$100,000		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$100,000		See Below	

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

LB 484 establishes the School Financing Review Commission consisting of twenty members. The Commission is to conduct an in-depth review of the financing of public elementary and secondary schools which includes specified areas for review that are identified in the bill. Members of the Commission are eligible for the reimbursement of actual and necessary expenses. The Commission ceases to exist on December 31, 2026. A progress report is required by December 31, 2017 and a final report is to be presented by December 1, 2018. Thereafter, reports are required in each even-numbered year regarding the adequacy of school funding sources beginning in July of 2020.

The Commission is housed in the State Department of Education (NDE) for administrative purposes. It is authorized to hire staff and consultants and obtain assistance from NDE and the Department of Revenue (DOR) in acquiring data. NDE staff and staff of the Revenue Committee, Education Committee and Appropriations Committee of the Legislature may assist as needed. Intent language provides that at least \$100,000 of general funds shall be appropriated to carry out the duties of the Commission.

Expenditures: It is estimated that up to fifteen of the Commission members may apply for the reimbursement of expenses. The number of meetings of the Commission are unknown. Assuming six meetings in FY18 and four meetings in FY19, the estimated amount to reimburse members for expenses is about \$19,350 in FY18 and \$12,900 in FY19.

The amount of funding needed for the Commission to carry out its responsibilities will be dependent upon whether consultants and staff are hired. It is assumed that NDE and DOR can handle any information or technical assistance requests with existing staff and resources and staff of the Legislature can provide assistance as required. If the workload for NDE or DOR pursuant to the bill is substantial, then the general fund appropriation can be used to fund additional staff. It is not possible to project the total future fiscal needs of the Commission at this time, so a general fund appropriation of \$100,000 is assumed in FY18.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 484	AM:	AGENCY/POLT. SUB: 03 Legislative Council	
REVIEWED BY: James Van Bruggen		DATE: 1/23/17	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Legislative Council's statement of no fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 484	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/20/17	PHONE: (402) 471-4179
COMMENTS: The legislation intends to provide up to \$100,000 General Funds each year.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 484	AM:	AGENCY/POLT. SUB: Educational Service Unit Coordinating Council
REVIEWED BY: James Van Bruggen	DATE: 1/20/17	PHONE: (402) 471-4179
COMMENTS: Agree with Educational Service Unit Coordinating Council's statement of no fiscal impact.		

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFA: 3/2/2017				
Approved by: Tony Fulton		Date Prepared: 3/2/2017				
		Phone: 471-5896				
	FY 2017-2018		FY 2018-2019		FY 2019-2020	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$38,549	See Below	\$39,030	See Below	\$39,615	See Below
Cash Funds		See Below		See Below		See Below
Federal Funds						
Other Funds						
Total Funds	&38,549	See Below	\$39,030	See Below	\$39,615	See Below

LB 484 would create and provide duties to the School Financing Review Commission (SFRC). The SFRC is to have 20 members, including a member of the Revenue Committee of the Legislature, the Property Tax Administrator or his or her designee, and a representative of the Governor. The SFRC terminates December 31, 2026.

The SFRC is to conduct an in-depth review of the financing of the public K-12 schools, and examine the options of using income and sales tax as components in the financing of schools. The SFRC is also to examine financing methods in other states that offer alternatives to heavy reliance on property tax.

The SFRC is to issue several reports to the Legislature and the executive branch. LB 484 states an intent to appropriate at least \$100,000 from the General Fund to the School Financing Review Commission.

The bill contains the emergency clause and becomes law upon enactment.

To implement the bill, the Department will need a half FTE Revenue Tax Specialist Senior.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>17-18 FTE</u>	<u>18-19 FTE</u>	<u>19-20 FTE</u>	<u>17-18 Expenditures</u>	<u>18-19 Expenditures</u>	<u>19-20 Expenditures</u>
A29622	Revenue Tax Specialist Senior	0.5	0.5	0.5	\$28,984	\$29,346	\$29,786
Benefits.....					\$9,565	\$9,684	\$9,829
Operating Costs.....							
Travel.....							
Capital Outlay.....					\$0		
Aid.....							
Capital Improvements.....							
Total.....					\$38,549	\$39,030	\$39,615

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

2017

LB⁽¹⁾ 484

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 03 Legislative Council

Prepared by: ⁽³⁾ Diane Nickolite Date Prepared: ⁽⁴⁾ 1/20/2017 Phone: ⁽⁵⁾ 402-471-2226

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</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:

Sec 3. Indicates that staff of the Revenue Committee, the Education Committee and the Appropriations Committee of the Legislature with the consent of the chairpersons of such committees, may assist as needed and requested by the chairperson of the commission in accordance with guidelines developed by the commission.

No Fiscal Impact, would utilize existing staff.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2017

LB⁽¹⁾ 484

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: ⁽⁴⁾ 1/18/17

Phone: ⁽⁵⁾ 402-417-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$50,000		\$50,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$50,000</u>		<u>\$50,000</u>	

Explanation of Estimate:

LB484 allows for expenses up to \$100,000 for the School Finance Review Commission. The 20 members of the commission are to be appointed by the Commissioner and must include individuals from several different organizations and schools.

The commission shall cease to exist on Dec 31, 2026 unless extended by Legislature.

The commission is charged with conducting an in-depth review of the financing of public education including the sources of funds and how best to fund specific services such as pre-k, poverty, college and career readiness, etc.

A preliminary report to the Legislative Council would be due November 2018 with a final report due in December of 2018. Beginning in 2020 the commission shall report on or before July 1 of even numbered year the adequacy of school funding sources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$25,000	\$25,000
Travel.....			\$25,000	\$25,000
Capital outlay.....				

Aid.....
Capital improvements.....
TOTAL.....

_____	_____
_____	_____
_____	_____
<u>\$50,000</u>	<u>\$50,000</u>

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

2017

LB⁽¹⁾ 484

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Educational Service Unit Coordinating Council

Prepared by: ⁽³⁾ David M. Ludwig Date Prepared: ⁽⁴⁾ 1-19-17 Phone: ⁽⁵⁾ 402-597-4915

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Explanation of Estimate:

“No Fiscal Impact”

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____