

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$47,360		\$7,096,300	
CASH FUNDS	See Below		See Below	
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 343 pertains to courses of increased educational rigor and relevancy offered by public schools including, but not limited to, programs of excellence, dual-enrollment courses and career academies. The bill establishes two new aid programs and requires the State Department of Education (NDE) to provide funding for programs of excellence, dual-enrollment courses or career academies.

Aid for Completion of a Program of Excellence: Educational service units (ESU's), on behalf of member public schools, may apply to NDE for aid for each student who completes a program of excellence, dual-enrollment course or a career academy. The courses must be taken on or after July 1, 2016 and applications for aid reimbursement are to be submitted prior to August 1 of every year beginning in 2017. Aid will be allocated after September 1st of each year, beginning in FY2017-18. Revenue received pursuant to the program is considered to be a special grant for state aid purposes, so TEEOSA aid will not be impacted.

The bill provides for NDE to develop rules and regulations to administer the program and reimburse a school district through its ESU a per student amount based upon the funds allocated for the program and the number of eligible for reimbursement. Intent language in the bill provides for \$7 million of general funds to be appropriated for FY2016-17 to fund aid payments beginning in FY2017-18.*

Aid for Start-up Costs of a Program of Excellence: Educational service units, on behalf of member public schools, may apply to NDE for aid to offset the initial costs of implementing a program of excellence, dual-enrollment course or a career academy. The funds must be used within two years after the date on which the application for aid is approved. If the funds are not used, within two years, then the funds must be returned.

School districts may apply for no more than 49% of the total cost of a program, course, or academy. Funds may be requested to cover the costs of textbooks, curricula, program fees, postsecondary tuition, technology, equipment, staffing, training and other expenses related to implementing the program, course or academy.

Applications for aid are to be submitted prior to August 1 of every year beginning in FY2016-17. Revenue received pursuant to the program is considered to be a special grant for state aid purposes, so TEEOSA aid will not be impacted.

The bill creates a College and Career Readiness Fund to be used to provide aid to school districts for start-up costs. Intent language provides for \$3 million of cash funds from the Education Innovation Fund (lottery proceeds) to be appropriated in FY2015-16 to provide start-up funds beginning in FY2016-17.** Beginning in FY2016-17 and thereafter, the aid program is to be funded as the Legislature determines.

NDE Expenses: NDE will need additional staff to administer the aid programs. It is assumed that 1.0 Program Specialist III will be hired in January of 2016 to develop rules and regulations for the program and provide on-going administrative support. The estimated general fund cost for one FTE and related operating expenses is \$47,360 in FY2015-16 and \$96,300 in FY2016-17.

ESU Expenses: The ESU's indicate there will be recordkeeping and accounting expenses associated with the bill that can be handled with existing resources and staff of the individual service units.

*Technical Note: The general fund appropriation need not be provided until FY2017-18 to carry out the bill.

**Technical Note: The lottery funds for FY2015-16 are all obligated for programs or transfers per current statute, so there would no unobligated lottery funds available in FY2015-16 for the aid program required by the bill in FY2016-17.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:343	AM:	AGENCY/POLT. Educational Service Unit Coordinating Council
REVIEWED BY: James Van Bruggen	DATE: 1/22/2015	PHONE: 471-4179
COMMENTS: I concur with ESUCC's assessment.		

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

2015

LB⁽¹⁾ 343

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Educational Service Unit Coordinating Council

Prepared by: ⁽³⁾ David M. Ludwig

Date Prepared: ⁽⁴⁾ 1-22-15

Phone: ⁽⁵⁾ 402-597-4915

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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:

At the present time, there would be no apparent fiscal impact within the Educational Service Unit Coordinating Council.

The costs for individual Educational Service Units cannot be determined as participation rates in various programs will vary for each ESU. Costs specific to record keeping, accounting, and allocation of funds would be incurred by individual ESU's, but could be assimilated within existing positions.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	0.00	0.00	0.00	0.00

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

2015

LB⁽¹⁾ 343

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson & Rich Katt

Date Prepared: ⁽⁴⁾ 1/21/15

Phone: ⁽⁵⁾ 402-471-4320 (Bryce)
402/471-4808 (Rich)

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$119,851		\$7,124,889	
CASH FUNDS	\$3,000,000			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$3,119,851		\$7,124,889	

Explanation of Estimate: Creates a dedicated source of funding to public schools in Nebraska through educational service units for the costs of implementing and ongoing costs of offering programs of excellence, dual-enrollment courses and career academies. The first year would appropriate \$3,000,000 from the Education Innovation Fund with years following allocating \$7,000,000 from the general fund.

NDE would need to add 1.5 staff to manage the program.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Program Specialist III	1.0	1.0	\$56,284	\$57,635
Professional Assistant	.5	.5	\$16,196	\$16,585
Benefits.....			\$42,121	\$45,419
Operating.....			\$5,250	\$5,250
Travel.....				
Capital outlay.....				
Aid.....			\$3,000,000	\$7,000,000
Capital improvements.....				
TOTAL.....			\$3,119,851	\$7,124,889