

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 53 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.

An adjustment in the state aid formula (TEEOSA) currently allocates state aid for students provided free transportation pursuant to open enrollment in the learning community. The adjustment is provided for state aid calculated in the second and third year of a new learning community. Schools in the learning community estimate a total of \$3,670,000 of free transportation, in the second year of the learning community, pursuant to open enrollment for purposes of the transportation adjustment for FY2011-12 state aid. Based on this estimate there will be decreased expenditures for school districts of something less than this amount in FY2011-12, 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 FY2013-14. Any change in state aid is dependent upon how decreased spending for transportation impacts the calculation of basic funding for districts and whether the averaging adjustment and/or needs stabilization offset decreases in basic funding.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	DATE	2/24/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF EDUCATION: From discussions with the Department of Education and the Learning Community, it is our understanding that neither organization collects demographic data from school districts with regard to open enrollment attendance. To properly estimate the expected decrease in student transportation and resultant TEEOSA savings, socio-economic data would have to be requested from each of the 11 Learning Community districts.					