

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$26,900		\$27,200	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$26,900		\$27,200	

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

LB 63 enacts the Interstate Compact on Educational Opportunity for Military Children into law with all other jurisdictions legally joining therein. The compact is to remove barriers to educational success for children of military families because of frequent moves and deployment of their parents. The compact becomes effective when at least ten states join. Participating states become members of an Interstate Commission which is responsible for administering the compact. The Interstate Commission may collect an annual assessment from each member state to cover the cost of operations and activities of the Interstate Commission and its staff.

Member states are required to establish a state council. LB 63 establishes a six member State Council on Educational Opportunity for Military Children within the State Department of Education (NDE). Members of the council are eligible for the reimbursement of expenses. The council is to appoint a military family education liaison to assist families and the state in implementing the compact. NDE is to provide staff support for the council. The student achievement coordinator at NDE is to serve as the compact commissioner and is to administer the state's participation in the compact.

Cost of Compact Membership: The Interstate Compact is operational and has been approved by 35 states. Information available from the compact shows a FY11 budget of \$498,500 for compact operations. Each state is to be assessed \$1 per student covered under the agreement. Nebraska's annual assessment will be about \$5,100 based upon children in families of persons who are on active duty or \$8,800 if states are assessed based upon children in families of persons who are on active duty or who are reserves.

NDE Fiscal Impact: There will be increased general fund expenditures for NDE to pay for council activities and to staff the council. It is assumed that annual expenditures for council meetings and operations will not exceed \$4,000 of general funds. NDE indicates that existing staff will provide support to the council and serve as the compact commissioner at no increased cost for personnel to the state. The department estimates about \$14,100 of increased general fund expenses for travel and operations pursuant to the bill. These costs are in addition to a maximum assessment for the state of \$8,800. The total general fund fiscal impact of the bill is estimated to be \$26,900 in FY2011-12 and \$27,200 in FY2012-13.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	DATE	3/7/11	PHONE	471-2526
COMMENTS					
<p>NEBRASKA DEPARTMENT OF EDUCATION: There will be a fee for membership in the Interstate Commission, estimated by the Department of Education to range annually from \$5,100 to \$8,800, but the Department did not include this in its cost itemization. The cost itemization instead includes personnel costs for 2 employees of unknown FTE. There does not appear to be sufficient workload to the state as a result of this compact to justify any FTE. However, there will be administrative costs associated with membership, which reasonably could exceed \$10,000 annually. The Department has identified \$13,000 in annual existing resources. Therefore, any fiscal impact should be limited to the estimated annual membership fee.</p>					