

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 1004 redefines free lunch and free milk students for purposes of the Tax Equity and Educational Opportunities Support Act (TEEOSA) to include students who are provided free meals pursuant to the Community Eligibility Provision (CEP). This provision is an option in the federal National School Lunch and Breakfast Programs for school districts to offer free meals to all students in high poverty schools.

The bill provides for free lunch and free milk students to include the greater of: the product of 110% of the number of students attending a school providing free meals pursuant to the community eligibility provision, or, the number of students who qualified for free lunch or free milk using the most recent fiscal year in which such data was collected. The number of free lunch and free milk students is used to calculate the poverty allowance in the TEEOSA formula. The new definition is effective beginning with aid distributed in FY2017-18.

The bill also requires the State Department of Education (NDE) to promote the CEP to schools eligible to participate in such program. Promotional efforts shall include providing technical assistance regarding the options for schools to implement the CEP and options for maintaining state aid and federal Title I funds if the CEP is adopted.

Community Eligibility Provision: Schools eligible for the CEP must have at least 40% of students identified as poverty students in order to participate. Some school districts in the state are currently weighing the possibility of applying for CEP. Four districts are currently in the program (Santee, Umo'ho' Nation, Walthill, one private school) and Omaha Public Schools is piloting the option in six elementary schools this semester according to NDE.

Poverty Allowance: The options allowed by the bill to determine the number of free lunch and free milk students may increase the number of free lunch students which are used in to calculate the poverty allowance in the state aid formula for districts providing free meals to students pursuant to the CEP. NDE indicates the 10% increase to reflect students participating in the CEP should have minimal impact on the calculation of the poverty allowance in the formula because it appears to mirror the number of students who actually qualified for free lunch or milk programs in the past prior to the district transitioning to the community eligibility provision. The use of prior year data to determine the number of students should also have no fiscal impact in terms of calculating the poverty allowance.

Promotion of the CEP: It is assumed that NDE has sufficient staff and resources to provide information and assistance to school districts regarding the option to provide free meals pursuant to the CEP, so, no fiscal impact is anticipated from this requirement in the bill.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 1004	AM:	AGENCY/POLT. Department of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/22/16	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⁾ 1004

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Dept. of Education

Prepared by: ⁽³⁾ Bryce Wilson/Jen Utemark

Date Prepared: ⁽⁴⁾ 1/20/16

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 1004 is passed as introduced, the free lunch and free milk calculated student for schools which provides free meals to all students pursuant to the community eligibility provision would equal the greater of the identified student percentage calculated multiplied by 1.1 or the number of students in such school who qualified for free lunch or free milk using the most recent school fiscal year in which such data was collected. No fiscal impact is forecasted at this time for purposes of state aid pursuant to TEEOSA specifically as it relates to the poverty allowance. All data tested concludes a 1.1 multiplier is a direct approach with results consistent to the number of students who qualified for free lunch or free milk using the most recent school fiscal year in which such data was collected.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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