

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$362,000		\$251,750	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$362,000		\$251,750	

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

LB 1116 changes provisions of the Quality Education Accountability Act. The bill provides for a new eight member Quality Education Accountability Commission which is required to adopt, implement and maintain a reporting and accountability system. Currently, the State Board of Education (NDE) is charged with the responsibility for assessment, reporting and accountability under the act. The bill creates a Quality Education Accountability Office. The office is a state agency. The Governor is to appoint a Director of Quality Education Accountability who may employ staff that are necessary to carry out the act. Beginning in FY2019-20, the Commission is required to implement the statewide reporting and accountability system.

NDE will still be responsible for the state assessment system and tracking individual student achievement. The new commission is charged with using the data collected by NDE to classify individual public schools and districts based upon multiple indicators. The indicators selected by the commission shall be combined into school and district performance scores. The responsibility to designate up to three priority schools is shifted to the new commission from NDE. However, NDE retains the funds that are currently appropriated to provide technical assistance to the priority schools which will be identified by the commission.

Fiscal Impact for Quality Education Accountability Commission/Office: LB 1116 will have a fiscal impact in terms of increased expenditures for the newly established Commission and Accountability Office. It is assumed the Commission will commence operation in FY2018-19. It is assumed 3.0 FTE (Director, Education Specialist, Staff Assistant) will be hired for the Quality Education Accountability Office as support for the new commission. The estimated general fund fiscal impact for the staff and related operating expenses is \$352,000 in FY2018-19 and \$343,750 in FY2019-20. An additional expenditure of \$10,000 of general funds is projected each fiscal year to reimburse commission members for expenses and to pay for commission meetings.

Fiscal Impact for NDE: NDE will have a savings in terms of funds spent to analyze, classify and report achievement of public schools since that responsibility is shifted to the new commission. It is assumed that one or two FTE in NDE could be eliminated if the accountability activity is transferred to the new Commission. The division of responsibility for the two entities will need to be worked out and clearly defined. If staffing is reduced by one FTE, it is estimated that NDE will have decreased general fund expenditures of about \$102,000 in FY20.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1116	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Gary Bush	DATE: 02/12/18	PHONE: (402) 471-4161	
COMMENTS: No basis to disagree with the estimate provided by the department for the establishment of a new code agency related to reporting and accountability of public schools, districts, and learning communities.			

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

2018

LB⁽¹⁾ 1116

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 2/9/17 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</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:

LB 1116 would create a new accountability commission and accountability office with the authority to implement a statewide reporting and accountability system on the performance of public schools, school districts, and learning communities. This new commission and office would not be part of NDE and therefore NDE cannot accurately estimate the costs, however the amount of work related to the bill would require several employees with expenses associated for such an office could be \$500,000 on an annual basis.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____