

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below			

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

LB 554 requires the State Board of Education to contract for the creation of a web site that, at a minimum, translates expenditures for schools, school districts and educational service units into a format that is readable by a layperson. The bill requires the establishment of an advisory committee on financial policies and procedures to work with the State Department of Education (NDE) and the contracting entity. The web site is to be available before July 1, 2018 and is to be updated annually.

NDE indicates the agency is in the process of developing a data and information system to provide integrated information on expenditures by school building and other key information about a school in an easy to read format. The department is expanding the chart of accounts in the annual finance report to capture additional financial information by school building. The new system is being piloted in several school districts. After the system is implemented, the data will be made available to the public via a NDE web site.

The department anticipates the data system will be implemented late in FY2019-20 or early in FY2020-21 using existing general and federal fund resources. If the web site required pursuant to the bill is required to be fully developed in FY2017-18, then a significant unknown amount of general funds will be needed to speed up the development of the data system to meet the deadline.

NDE will have minimal costs incurred related to the advisory committee required by the bill. It is assumed the department can handle these expenses with existing resources.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 554	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/30/17	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: Agree with the Department of Education's statements of fiscal impact.			

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

**2017**

**LB<sup>(1)</sup> 554**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Department of Education

Prepared by: <sup>(3)</sup> Wilson/Folkers/Gaswick

Date Prepared: <sup>(4)</sup> 1/25/17

Phone: <sup>(5)</sup> 402-417-4320

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB554 requires the development of a web site that displays financial information for schools, school districts, and educational service units in a format readable by a layperson. The website is to be available by July 1, 2018 and must be updated annually.

The requirements in this bill are already in process by the NDE and several pilot districts. Due to ESSA requirements and earlier directives from the Commissioner, NDE has been working on updating the information collected in the Annual Financial Report (AFR). These changes are a significant expansion from the current requirements for districts. In addition, NDE is also working on integrating the AFR with the new ADVISER (Ed-Fi) system. The resulting integration will provide financial information as well as other key information about schools in an easy to read format, which should meet all the requirements listed in LB554 - except the July 1, 2018 time frame. The current target date to have this system implemented is on or before the summer of 2020.

It is not possible to provide a clear cost analysis of this bill at the current point and time. Funding for this project would come from Federal and General funds. If the proposed deadline were to be met, a significant amount of fiscal resources would be required.

NDE anticipates that there will be minimal costs associated with the advisory committee required as part of this bill. These costs will include member travel and acceptable reimbursements as part of the travel and advisory work.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Benefits.....</b>	_____	_____	_____	_____

**Operating**.....  
**Travel**.....  
**Capital outlay**.....  
**Aid**.....  
**Capital improvements**.....  
**TOTAL**.....

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____