PREPARED BY: DATE PREPARED: PHONE: Sandy Sostad February 12, 2013 471-0054

LB 323

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2013-14 FY 2014-15						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS	\$6,525		\$4,890				
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$6,525		\$4,890				

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

LB 323 establishes a seventeen member School Finance Review Committee to monitor the operation of the Tax Equity and Educational Opportunities Support Act and suggest needed revisions in the act. The committee is to meet at least once annually and may meet more often. An electronic report is required on or before July 1, 2014 and every two years thereafter.

The bill does not specify the agency in which the School Finance Review Committee will be housed for budgetary purposes nor the staffing for the committee. It is assumed the State Department of Education (NDE) will provide administrative support to the committee and budgetary resources. Committee members will be eligible for the reimbursement of necessary travel expenses pursuant to Section 81-1178.

The estimated fiscal impact for the reimbursement of expenses of twelve committee members is \$6,525 of general funds in FY2013-14, assuming quarterly meetings of the committee. Assuming three meetings in FY15, the estimated fiscal impact for committee member expenses is \$4,890 of general funds. It is assumed that NDE will use existing staff to assist the committee and any minimal operating expenses can be absorbed by the department within the existing budget.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: <mark>323</mark>	AM:	M: AGENCY/POLT. SUB: Department of Education					
REVIEWED BY: Matthew Eash DATE: 2/11/2013 PHONE: 402-471-4175							
COMMENTS: LB 323 does not provide committee members compensation nor authorize any reimbursement for travel							
expenses to attend meetings. State employees serving as committee members, pursuant to state employment rules, may be							
entitled to travel costs beyond their local commuting distance, but assuming committee meetings would occur in Lincoln, no							
travel reimbursement for state employees would be likely. There is also no provision for a state agency to provide							
administrative supp	ort to the committee.	No fiscal impact					

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES					
LB: 323 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED BY: Matthew Eash DATE: 2/12/2013 PHONE: 402-471-4175				PHONE: 402-471-4175	
COMMENTS: Concur	; no fiscal impact.				

LB ⁽¹⁾ 323 FISCAL NOTE	$LB^{(1)}$	323	FISCAL	NOTE
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State Agency OR P	olitical Subdivision Name: (2)	NDE/School Finance & Organization Services					
Prepared by: (3)	Inbody, Bergquist	Date Prepared: (4)	1-22-2013 Phone: 0	5) 1-4320			
	ESTIMATE PROVID	ED BY STATE AGENC	Y OR POLITICAL SUBDIVIS	SION			
	FY 20 EXPENDITURES	13-2014 <u>REVENUE</u>	FY 2014 EXPENDITURES	4-2015 <u>REVENUE</u>			
GENERAL FUNI CASH FUNDS FEDERAL FUNI OTHER FUNDS			5,600				
TOTAL FUNDS	5,500		5,600				

Return by date specified or 72 hours prior to public hearing, whichever is earlier. Explanation of Estimate:

This bill would create the School Finance Review Committee (Committee). The Committee would have 17 members. Committee members would serve a three-year term with the opportunity to serve an additional three-year term. The Committee would be required to meet a least once a year. The Committee would be required to submit an electronic report to the Governor, Legislature and State Board of Education on or before July 1 of each even-numbered year the progress of the Committee in effectuating the provisions of the act.

The tasks of the Committee would be to monitor the operation of the Tax Equity and Educational Opportunities Support Act (TEEOSA) and suggest needed revisions to TEEOSA. The Committee would specifically review budget growth limitations, equalization aid, the minimum levy adjustment, and actual expenditures of school districts.

MAJOR OBJECTS OF EXPENDITURE								
Personal Services:								
POSITION TITLE	NUMBER OF	F POSITIONS 14-15	2013-2014 EXPENDITURES	2014-2015 EXPENDITURES				
								
Benefits								
Operating								
Travel								
Capital outlay								
Aid								
Capital improvements								
TOTAL								

Fiscal Impact to NDE: Unknown at this time. The bill does not address which agency or agencies will provide staff and resources for this Committee. If NDE will provide staff and resource for this Committee, the estimated cost for 2013 would be \$5,500 and the estimated cost for 2014 would be \$5,600. The dollar amount for 2013 is calculated assuming one meeting a year and \$322 as the average cost for a committee member multiplied by 17. The dollar amount for 2014 is calculated by increasing the 2013 amount by 3%.

To School Districts: There would be no fiscal impact to school districts from the creation of this Committee or the payment of expenses for the Committee to hold an annual meeting.

State Agency Estimate							
State Agency Name: Department of	of Revenue				Date Due LFA:	1/25/13	
Approved by: Douglas Ewald		Date Prepared:	1/24/13		Phone: 471-5896		
	FY 2013	3-2014	FY 201	4-201 <u>5</u>	FY 20	15-201 <u>6</u>	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$0	ĺ	\$0		\$0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$0		\$0		\$0	

LB 323 creates a School Finance Review Committee to monitor the operation of the Tax Equity and Educational Opportunities Support Act (TEEOSA). The committee will issue an electronic report to the Governor, Legislature, and the State Board of Education, on or before July 1, 2014 and then on or before July 1 each even-numbered year thereafter. The committee will be responsible for monitoring the operation of TEEOSA. and suggesting revisions to the act.

There is no impact to state funds associated with this bill, and no Departmental cost to implement it.

Major Objects of Expenditure									
Class Code	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 Expenditures	14-15 Expenditures	15-16 Expenditures		
Operating Costs									
Travel									
Capital Outlay									
Aid									
Capital Improvemen	ts								