

Updated for the 2010 Session. Includes any amendments adopted to date.

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2010-11</b>		<b>FY 2011-12</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$43,300		\$44,600	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$43,300</b>		<b>\$44,600</b>	

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

LB 73 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 73 establishes an eight member State Council on Educational Opportunity for Military Children within the Department of Veterans' Affairs. 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. The Governor is to appoint a compact commissioner responsible for administering state participation in the compact. The Department of Veterans' Affairs is to provide staff support for the council, the compact commissioner and the liaison.

The State Department of Education indicates the Interstate Compact is operational and has been approved by 26 states. Information available from the Council of State Governments National Research Center on Interstate Compacts outlines a potential budget for the Interstate Compact, assuming all states participate in the Compact. The total projected budget would be about \$630,000 and each state would be assessed \$1 per student covered under the agreement. If all states participated and the assessment was as indicated, then Nebraska's annual assessment would 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. Since the Interstate Compact is currently functioning with 26 state members, it is assumed the budget will be less than \$630,000. However, the annual assessment for member states could be higher than original estimates, depending upon staffing and budgetary needs of the Compact and participation by other states.

There will be increased general fund expenditures by the Department of Veterans' Affairs for the State Council that is created by the bill. It is assumed that annual expenditures for council meetings and operations will not exceed \$5,000 of general funds. It is also assumed that existing staff of the Department of Veterans' Affairs will be sufficient to provide support for the Council.

The bill requires the appointment of a military family liaison and a compact commissioner. The fiscal impact of these provisions depends upon the workload involved for the positions. The fiscal note prepared by the Department of Veterans' Affairs estimates a general fund impact of \$415,445 in 2010-11 for salaries, benefits and operating expenses for five additional staff. This fiscal note assumes the workload associated with administering the bill will not be sufficient to require five additional staff. It is assumed that at the very most, one additional .5 position may be needed at a cost of \$29,500 general funds, including salary, benefits, operating and travel expenses. These costs are in addition to a maximum assessment for the state of \$8,800 plus about \$5,000 for the expenses of the state council. The general fund fiscal impact of the bill is estimated to be \$43,300 in 2010-11 and \$44,600 in 2011-12.