

LB 1229 FISCAL NOTE

Sandy L. Sostad February 4, 1998

	FY 1998-99		FY 1999-00	
	Expenditures	Revenue	Expenditures	Revenue
GENERAL	\$6,025,500		See Below	
CASH				
FEDERAL				
OTHER				
TOTAL	\$6,025,500	\$0	See Below	\$0

LB 1229 requires school districts to provide accelerated or differentiated curriculum programs for students Identified as learners with high ability beginning in 1997-98. Schools are required to annually provide the Department of Education (NDE) with criteria used to identify learners with high ability, the number of students Identified and the number participating in an approved program. The Legislature is required to, appropriate funds beginning in 1998-99 for high ability learner programs. Intent language directs that \$6 million be appropriated in 1998-99. In each year thereafter, the appropriation is to be increased by the percentage growth in identified participating students plus the basic allowable growth rate. A 50% local match is required. NDE is required to develop rules and regulations. Grant funds received by schools are included as part of the special education allowance for state aid purposes as well as considered to be a local resource in the state aid formula.

The fiscal impact of aid payments for high ability learner programs will be \$6,000,000 of general funds in 1998-99. The appropriation will increase to at least \$6,180,000 of general funds in 1999-00 based on the current allowable growth rate of 3%. The \$6.18 million appropriation will also be increased by the percentage increase in students in approved high ability learner programs from 1997-98 to 1998-99.**

The bill provides that up to 5% of the appropriation for aid in 1998-99, 1999-00 and 2000-01 will be used for start-up costs for schools and will be distributed on a pro rata basis based upon eligible costs submitted by schools. School systems may also receive .1% of the appropriation as base fun& plus a pro rate share of the remaining funds based on students participating in high ability learner programs. Based on an appropriation of \$6 million in 1998-99, up to \$300,000 of the funds appropriated can be used for start-up costs. If all 286 school systems qualify for base funds, then \$1,716,000 of the appropriation will be distributed on this basis. The remaining \$3,984,000 will be allocated based on students participating in high ability learner programs. A 50% match must be provided by a local school system to receive any of these funds.

NDE projects the need for a .5 Secretary III to assist in the implementation of the bill. The department currently has a Director for High Ability Learner Programs and a .5 FTE Secretary as support staff. It seems reasonable the bill will increase the workload in this area. The additional general fund expense for a .5 FTE will be \$20,500 in 1998-99 and \$17,850 in 1999-00. The estimated fiscal impact to develop rules and regulations is \$5,000 of general funds in 1998-99.

The inclusion of aid funds received for high ability learner programs as part of the special education allowance for state aid purposes and as an accountable receipt for purposes of determining local resources insures that school systems which receive aid for high ability learner programs will not be penalized by a loss in equalization aid.

**Technical Note: Language may need to be added if the intent of the bill is to increase future year appropriations based upon the appropriation in the prior year plus the allowable growth rate and student membership growth percentages.

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NEBRASKA DEPARTMENT OF EDUCATION: The agency's analysis appears reasonable.