

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 481 allows a school district in a learning community to opt out of membership by a majority vote of members of the board of education of the district. If a school district votes to opt out, the district must notify the learning community and Commissioner of Education not less than six months before the effective date of the district opting out. It is assumed the first year that a district could opt out pursuant to the bill will be FY2016-17.

The fiscal impact of the bill cannot be determined because it is unknown whether any of the eleven school districts in the one learning community in Douglas and Sarpy counties will opt out of the learning community in the future. A decision by one or more school districts to opt out will impact the amount of property taxes collected and redistributed per the common levy for schools that are members of the learning community. The yield from the \$.02 levy authorized for special building funds for member school districts would also be reduced if one or more members opts out.

The amount of property taxes that can be collected from member districts and expended by the learning community for elementary learning center leases and leaseholder improvements (\$.005 levy) or early childhood education programs and staff and operating costs of elementary learning centers (\$.015) will be reduced if districts opt out of the learning community.

The amount of state aid allocated to members of a learning community will also change since aid is calculated collectively for the districts and then allocated based upon formula needs of individual districts.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB:481	AM:	AGENCY/POLT. Dept of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/26/2015	PHONE: 471-4179
COMMENTS: Assuming the two school districts choose to not participate in the learning community as described by the Department of Education, I would concur with the Department of Education's assessment of increased aid to the remaining school districts in the learning community.			

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

2015

LB⁽¹⁾ 481

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Dept of Education

Prepared by: ⁽³⁾ Jen Utemark

Date Prepared: ⁽⁴⁾ 1/22/15

Phone: ⁽⁵⁾ 402-471-3323

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	\$2,500,000	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	\$2,500,000	=====

Explanation of Estimate:

State aid calculated under current statute is reported under the Learning community as shared aid by the member school districts. Data is compiled to view their needs and resources independently. Under current statute, nine of the eleven learning community school districts are equalized. If LB 481 is passed, it is likely the two non-equalized districts with high valuations will opt out of the learning community. This may result in increased equalization aid of approximately \$2.5 million to the remaining members of the learning community to recapture the loss in aid from the high valuation districts opting out. Eventually this could dissolve the learning community all together.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				\$2,500,000
Capital improvements.....				
TOTAL.....				\$2,500,000

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

2015

LB⁽¹⁾ 481

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Learning Community of Douglas and Sarpy Counties

Prepared by: ⁽³⁾ Brian Gabrial

Date Prepared: ⁽⁴⁾ 1/28/15

Phone: ⁽⁵⁾ 402-964-2198

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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:

The effect of this bill is impossible to estimate without making significant assumptions. This bill allows school districts to opt out of the Learning Community by a vote of their school board. Should this become law the ELC levy (a major source of funds for the LC) would be lowered by the amount of property valuation in districts leaving the Learning Community. Additionally, the yield of the Capital Projects Levy would be diminished.

Beyond the direct impact to the LC budget, this would also have significant and complicated effects on the overall state aid and common levy process which provides a majority of school district funding.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____