

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 | | | (Unknown) | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | (Unknown) | |

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

LB 534 changes the appropriation requirements for state aid to school districts through the Tax Equity and Educational Opportunities Support Act (TEEOSA). The bill provides for the amount of state aid to be capped at the amount expended from the General Fund in the previous fiscal year plus a student growth adjustment. If the amount of state aid calculated pursuant to TEEOSA statutes exceeds the amount required by the bill, then the aid paid to each school district shall be reduced by the percentage by which the calculated state aid exceeds the amount required by LB 534. It is assumed the bill will go into effect beginning in FY2016-17.

If the bill had been enacted for FY2015-16, using the preliminary certification of FY16 state aid, there would be a reduction in TEEOSA aid of \$18,649,206. The amount is determined as follows:

| | |
|--|--------------------|
| FY 2014-15 General Fund Appropriation for State Aid | \$912,390,088 |
| Plus: Student Growth Adjustment for FY16 Aid | <u>18,257,260</u> |
| LB 534 General Fund State Aid for FY16 | 930,647,348 |
| Preliminary Estimate of General Fund TEEOSA Aid for FY16 | <u>949,296,551</u> |
| Reduced TEEOSA Aid per LB 534 | \$ 18,649,206 |

The possible reduction in TEEOSA aid in FY17 depends upon the amount of the student growth adjustment and the calculation of TEEOSA, which is unknown at this time.

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

2015

LB⁽¹⁾ 534

**FISCAL
NOTE**

State Agency OR Political Subdivision Name: ⁽²⁾ Dept of Education

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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:

If LB 534 is passed as introduced, the amount appropriated for purposes of state aid pursuant to TEEOSA shall be capped at the amount expended the previous fiscal year plus a student growth adjustment. If the state aid calculated exceeds the prescribed amount, state aid payable for each school district shall be reduced by the percentage by which the state aid calculated exceed the amount. The capped amount will allow the state to more consistently budget and forecast expenditures. Essentially the local effort rate will float to balance the capped amount, as we currently do in the state aid year end recalculation. The local effort rate in the state aid year end recalculation will not match from certification calculation. The drawback to such a change is that the districts will be competing against each other for aid. This method of setting the dollars amount has been used to calculate state aid in the past. Unable to forecast fiscal impact at this time.

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..... | _____ | _____ | _____ | _____ |