PREPARED BY: DATE PREPARED: PHONE: Sandy Sostad May 07, 2019 471-0054

**LB 675** 

Revision: 01

## FISCAL NOTE

Revised on 5/8/19 based on amendments adopted through 5/7/19.

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)									
	FY 2019-20		FY 2020-21						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE					
GENERAL FUNDS	(\$12,066,443)		(\$12,898,807)						
CASH FUNDS									
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS	(\$12,066,443)		(\$12,898,807)						

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

LB 675, as amended, changes the Tax Equity and Educational Opportunities Support Act (TEEOSA) which provides state aid to education. The bill changes the base limitation rate in the formula in FY2019-20.

A change in the base limitation rate changes the cost growth factor in the formula which is used to inflate two year old school district expenditures for purposes of calculating aid. Currently, the cost growth factor is 4% for FY20 and 5% for FY21. The change in the base limitation rate in FY20 from 2.5% to 2% decreases the cost growth factor to 3.5% for FY20 and 4.5% for FY21. The change impacts the amount of state aid allocated in FY2019-20 and FY2020-21. The estimated decrease in state aid is \$12,066,443 in FY20 and \$12,898,807 in FY21.

Technical Note: The reduction in the TEEOSA state aid appropriation per LB 675 is included in LB 294 – Mainline Appropriations Bill.

LB <sup>(1)</sup> 675 AM 1 State Agency OR Political S		Dept. of Education	1		
State Agency On I official t	Subdivision Name.				
Prepared by: (3) Bryce Wilson		Date Prepared: (4)	5/7/19	Phone: (5)	402-471-4320
	ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICA	L SUBDIVIS	ION
	FY	2019-20		FY 2020	-21
	EXPENDITURES	REVENUE	EXPENDIT		REVENUE
GENERAL FUNDS	(\$12,066,443)		(\$12,000,0	000)	
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	(\$12,066,443		(\$12,000,0	000)	
<b>Explanation of Estimate:</b>					
Reducing the basic allowaby just over \$12 million 2019/20 basic allowab a little more if all other	n. Since the basic le growth rate will	allowable growth rate also reduce 2020/21	is used for two ye	ears the red	uction of the

BREAK	DOWN BY MA.	OR OBJECTS O	OF EXPENDITURE	
Personal Services:				
	NUMBER OF POSITIONS		2019-20	2020-21
POSITION TITLE	<u>19-20</u>	<u>20-21</u>	<b>EXPENDITURES</b>	<b>EXPENDITURES</b>
Benefits				
Operating				·
Travel				·
Capital outlay				
Aid			(\$12,066,443)	(\$12,000,000)
Capital improvements				
TOTAL	••••		(\$12,066,443)	(\$12,000,000)