

Revised to reflect AM970

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$103,762,107		\$134,993,956	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$103,762,107</b>		<b>\$134,993,956</b>	

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

AM970 updates LB583 as follows:

For school year 2023-24 & each school year thereafter, the Nebraska Department of Education (NDE) will determine the supplemental special education allowance for each school district. That allowance will be an amount equal to eighty percent of the total allowable excess costs for all special education programs & support services provided by the school district, minus the amount of the reimbursement received by the school district.

For school year 2023-24 & each school year thereafter, the total amount of equalization aid that is attributable to supplemental special education allowances will be paid from the Education Future Fund.

For school year 2023-24 & each school year thereafter, net option funding will be the product of the net number of option students multiplied by the difference of the statewide average basic funding per formula student minus the amount of foundation aid paid per formula student.

For school year 2023-24 & each school year thereafter, NDE will determine the foundation aid to be paid to each school district. The foundation aid to be paid to each school district in each school year will equal one thousand five hundred dollars multiplied by the number of formula students for such school district. Twenty-three percent of the total amount of foundation aid paid each school year will be paid from money appropriated from the Education Future Fund.

For school years 2023-24 & 2024-25, one hundred percent of foundation aid will be included as a formula resource. For school year 2025-26 & each school year thereafter, sixty percent of foundation aid will be included as a formula resource.

For state aid calculated for school year 2023-24 & each school year thereafter, local system formula resources will include: other actual receipts, net option funding, allocated income tax funds, community achievement plan aid, a percentage of foundation aid, & is reduced by amounts paid by the district in the most recently available complete data year as property tax refunds.

For school year 2023-24 & each school year thereafter, each school district will submit a report to NDE that includes the following information:

- The amount of additional state aid received by the school district for that school year as a result of legislation enacted during the most recently completed legislative session
- The amount the school district reduced its property tax request for that school year, if any such reduction occurred

NDE will compile the information received from the school districts & will submit a comprehensive report of all that information annually to the Governor, the chairperson of the Education Committee of the Legislature, & the Clerk of the Legislature.

EXPENDITURES:

The Legislative Fiscal Office (LFO) estimates the following:

	<b>FY2023-24</b>	<b>FY2024-25</b>	<b>FY2025-26</b>
<b>\$1,500 per Student Aid</b>	\$110,774,400	\$140,691,783	\$147,309,289
<b>Foundation Aid – 60% as Resource</b>	\$0	\$0	\$104,038,007
<b>Supplemental Special Ed. Allowance</b>	(\$7,012,293)	(\$5,697,827)	(\$8,382,564)
<b>Totals</b>	<b>\$103,762,107</b>	<b>\$134,993,956</b>	<b>\$242,964,732</b>

TECHNICAL NOTES:

All expenditures are listed as General Funds due to the Education Future Fund is being created in LB681.

If the Special Education funding is increased to 80%, the following chart reflects those changes to the TEEOSA calculation:

	<b>FY2023-24</b>	<b>FY2024-25</b>	<b>FY2025-26</b>
<b>TEEOSA Aid Increase</b>	\$110,774,400	\$110,774,398	\$106,286,941
<b>Special Ed. Funding Increase</b>	\$199,041,052	\$199,041,052	\$199,041,052
<b>Totals</b>	<b>\$309,815,452</b>	<b>\$309,815,450</b>	<b>\$305,327,993</b>

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**2023**

**LB<sup>(1)</sup> 583 AM 970**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> NE Dept of Education

Prepared by: <sup>(3)</sup> Bryce Wilson Date Prepared: <sup>(4)</sup> 4/12/23 Phone: <sup>(5)</sup> 402-471-4320

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$3,102,536		\$3,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	\$107,671,862		\$108,000,000	
<b>TOTAL FUNDS</b>	<b>\$110,774,398</b>		<b>\$111,000,000</b>	

**Explanation of Estimate:**

LB 583 AM970 creates a foundation aid component that allocates \$1,500 per formula student to each district. Foundation aid is considered an accountable receipt so it will reduce equalization aid for districts that are equalized for the first two years. Starting in 2025/26 sixty percent of foundation aid will be counted in resources with the remaining amount outside of resources. All districts will receive the amount of foundation aid outside of resources as additional TEEOSA aid. The foundation aid component combined with the change to net option funding that subtracts out the foundation aid would add \$110,774,398 million for 2023/24 and around \$111 million for 2024/25. With 23% of the total foundation aid paid out of the Education Future Fund which amounts to \$107,671,862 for 23/24 and roughly \$108 million for 2024/25 the General fund increase is minimal as shown above.

This bill also creates the supplemental special education allowance which is the difference between eighty percent of excess allowable special education cost and the reimbursement received by the district. Since the amount of special education appropriation is not known the impact of this change is not known.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			\$110,774,398	\$111,000,000
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$110,774,398</b>	<b>\$111,000,000</b>