

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$3,800,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>			\$3,800,000	

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

LB 1070 changes the distribution of state aid through the Tax Equity and Educational Opportunities Support Act (TEEOSA) for school districts in a learning community beginning in FY2015-16. The bill also changes the allocation of the proceeds of the common levy for school districts in a learning community beginning in FY16.

TEEOSA Aid: Currently, state aid for the eleven school districts in Sarpy/Douglas counties in the learning community is calculated collectively. The combined formula needs of all the districts in the learning community are compared to the combined formula resources of all districts in the learning community to determine the amount of equalization aid for the school districts in the learning community. Each school district receives a proportional share of equalization aid based upon its share of total formula needs.

LB 1070 provides for state aid to be calculated separately for each school district in the learning community and then be allocated based upon a district's share of total formula needs. Based upon estimated state aid for FY15, the bill will increase state aid to schools in the learning community by about \$3.8 million in FY16.

Common Levy Proceeds: LB 1070 also changes the allocation of proceeds from the common levy (valuation x \$.95) to school districts in a learning community beginning in FY16. The bill does not change the total amount of property taxes collected per the common levy. It provides that all school districts in the learning community will receive a guaranteed minimum amount (valuation x \$.55) of the common levy distribution. It appears the change will shift a small amount of property tax receipts between school districts in the learning community.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 1070	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Matthew Eash		DATE: 2/9/2014	PHONE: 402-471-4175
COMMENTS: Beginning with FY 2015-16, LB 1070 appears to eliminate the net reduction to the TEEOSA State Aid calculation that results from the re- distribution of aid among districts that are members of a Learning Community. It is not possible yet, under current law, to predict exactly the amount to be increased to total TEEOSA State Aid, but it would likely be \$3.0 – 4.0 million annually.			

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

**2014**

**LB<sup>(1)</sup> 1070**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

NDE/School Finance & Organization Services

Prepared by: <sup>(3)</sup> Wilson/Inbody

Date Prepared: <sup>(4)</sup> January 24, 2014

Phone: <sup>(5)</sup> 1-3323

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

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:** LB 1070 would increase State Aid but the exact amount cannot be determined for the 2015/16 certification at this time. Learning Community State Aid would be calculated separately then combined and ran through the Learning Community calculation instead of resources being calculated all together. This difference would result in more state aid for the Learning Community since the districts in the Learning Community with more resources than needs would no longer lower the total amount of state aid going to the Learning Community.

This bill also changes the allocation of the common levy among school districts in the Learning Community. This change would have no fiscal impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>