

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	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 882 changes budget limitations and the carryover of budget authority for school districts. It is assumed the provisions of the bill will take effect beginning in FY2017-18.

Budget Limitations: The bill allows a school district to exceed the budget limitation by up to an additional 1%, or the amount necessary to meet a budget shortfall, whichever is less, upon approval by 75% of the school board. The fiscal impact in terms of increased spending and property tax revenue for school districts depends upon how many schools take advantage of the increase in spending allowed by the bill and whether districts are at their levy limit and can take advantage of the additional 1% allowed by board vote.

Unused Budget Authority: LB 882 eliminates the carryover of unused budget authority to future budget years. Unused budget authority for school districts totaled \$1,183,725,050 in FY2014-15. The elimination of the carryover will likely impact future spending of some school districts which have levy capacity, are at their budget limitation and utilize unused budget authority to increase spending.

In FY2015-16, for example, it appears from the budget forms submitted by school districts, that 125 school districts accessed \$18 million of unused carryover budget authority to increase spending. So, had the bill been in effect, expenditures and property taxes levied by these districts would have been \$18 million less, unless school boards had voted to exceed the budget limitation by up to an additional 1% as allowed by other provisions in the bill.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB:882	AM:	AGENCY/POLT. Nebraska Department of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/13/16	PHONE: 471-4179
COMMENTS: No basis to disagree with the Department of Education's assumptions. School districts' reaction to the changes would vary.			

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

**2016**

**LB<sup>(1)</sup> 882**

**FISCAL NOTE**

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

Department of Education

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

Date Prepared: <sup>(4)</sup> 1/12/16

Phone: <sup>(5)</sup> 402-471-4320

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

	<u>FY 2016-17</u>		<u>FY 2017-18</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>	=====	=====	=====	=====

**Explanation of Estimate:** LB 882 eliminates unused budget authority for public school district budgeting purposes and replaces it with a clause that allows an exception to increase the budgeted amount by one percent or amount necessary to meet a budget shortfall whichever is less with seventy-five percent vote of the school board. Currently unused budget authority is carried forward to future years with schools having limited access to their unused budget authority in the subsequent years. LB 882 would encourage schools to budget the full amount each year as a means to protect their budget authority. Additional cost cannot be determined at this time but would most likely be funded with property taxes.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____