

PREPARED BY: Sandy Sostad
 DATE PREPARED: February 25, 2019
 PHONE: 471-0054

LB 671

Revision: 00

FISCAL NOTE
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			\$58,747,244	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$58,747,244	

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

LB 671 changes the Tax Equity and Educational Opportunities Support Act (TEEOSA) to include sparsity aid in the state aid formula. Beginning in FY2020-21, sparsity aid shall be paid to each school district that is sparse or very sparse with less than 390 formula students. The sparsity aid is \$5,000 per formula student. The aid is included as a resource in the formula.

The estimated increase in general funds to provide sparsity aid is \$58,747,244 in FY2020-21. It is assumed this component of the aid formula will increase in the future as more schools become sparse or very sparse.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 671	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Gary Bush	DATE: 02/26/19	PHONE: (402) 471-4161	
COMMENTS: No basis to disagree with the estimate provided by the agency.			

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

2019

LB⁽¹⁾ 671

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/28/19 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	\$54,000,000	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	\$54,000,000	=====

Explanation of Estimate:

LB 671 adds a sparsity aid component to the TEEOSA calculation. Sparsity Aid would be added to any district with less than 390 formula students that is either a sparse or very sparse district as currently defined in TEEOSA. For qualifying districts \$5,000 per formula student would be included as an aid which would also be counted as a resource.

The sparsity aid would not be added until the 2020-21 calculation of TEEOSA but using current information the sparsity aid would add about \$54 million to the total of TEEOSA. No fiscal cost to NDE.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	\$54,000,000
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	\$54,000,000