

PREPARED BY: Sandy Sostad
 DATE PREPARED: March 17, 2009
 PHONE: 471-0054

LB 521

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 521 authorizes a learning community to levy an additional .0025 of property taxes to be used for general fund purposes by the learning community. The bill also reduces the amount of funds a learning community will receive through the aid to educational service units (ESU's) formula and increases the amount received by ESU's by a like amount.

An additional .0025 property tax levy would generate approximately \$1,187,000 of revenue for the existing learning community beginning in 2009-10, assuming a 3.5% increase in 2008-09 assessed valuations. The increased revenue would be used to carry out the responsibilities of the learning community.

Current law provides for learning communities to receive a student allocation in the ESU distribution formula beginning in 2009-10. The number of adjusted students used in the ESU aid distribution formula includes 50% of the membership of school districts that are in a learning community. The other 50% of the membership is used to calculate a student allocation for a learning community. Adjusted valuations used in the formula are also reduced accordingly. LB 521 changes the aid allocation for learning communities to be based upon 10%, rather than 50%, of the membership and adjusted valuations of school districts that are members of a learning community.

The change will shift aid funds from the learning community to ESU's #3 and #19, which include school districts that are members of a learning community, beginning in 2009-10. The total amount of state aid allocated for ESU's pursuant to the bill is unchanged. An estimate using 2007 data showed about \$1.5 million of aid to ESU's was going to shift to the learning community through the ESU distribution formula. The change in the bill means the learning community will receive about \$300,000 through the ESU formula and about \$1.2 million of aid, that would have been received by the learning community beginning in 2009-10, will accrue to ESU's #3 and #19.

Technical Note: The adjusted students for ESU's should be 90% rather than 10% on page 13.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	William Scheideler	DATE	3/25/09	PHONE	471-2526
COMMENTS					
NEBRASKA DEPARTMENT OF EDUCATION: Concur.					