

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	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 506 requires the state to insure a contract is issued for special education and related services from a funded service provider to the institution chosen by the parent or guardian. The contract is to be in an amount equal to 70% of the reimbursable amount for such services under the Special Education Act. Contract funds are to be issued at the time of the child's transfer to the program. The bill eliminates the requirement that only nonsectarian services may be considered as approved services under the act.

The bill will not have any fiscal impact for the state in terms of increasing the aid reimbursement for special education programs because the amount of aid distributed to schools for special education programs is capped at up to a 5% annual increase. The funds appropriated for special education aid are allocated on a pro-rated basis to schools. The bill may shift special education aid between school districts because the requirement to pay 70% of the reimbursable amount for these contracts is in excess of the pro-rata percentage currently reimbursed for special education services. The reimbursement percentage for special education services and transportation in 2005-06 was approximately 68%.

There may also be a shift in special education aid between school districts if a parent or guardian chooses a program provider that charges more than what would have been paid to a provider under existing law. The actual impact of the change in law is unknown and is dependent upon service provider choices made by parents and guardians.

The bill may have an undeterminable fiscal impact on state aid distributed to school districts in the state aid formula (TEEOSA) in the future if total spending by school districts for special education programs increases pursuant to the choices allowed by the bill.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
DEPT. OF EDUCATION – Concur. No impact on the level of state funding.					