

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	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 524 redefines low-income and poverty students for purposes of the Tax Equity and Educational Opportunities Support Act (TEEOSA) to include students who are provided free meals pursuant to the Community Eligibility Provision.

Community Eligibility Provision: The Community Eligibility Provision (CEP) is an option for school districts to offer free meals to all students in high poverty schools without collecting applications from households. Eligible schools must have at least 40% of the students identified as poverty students in order to participate in CEP. Some school districts in the state are currently weighing the possibility of applying for CEP. One district is currently in the program (Santee) and Omaha Public Schools is piloting the option in six elementary schools this semester according to the State Department of Education.

Poverty and Summer Allowances: Since the bill redefines poverty and low income students to include students provided free meals pursuant to CEP, some of whom are not currently considered to be low income, the number of students used to calculate the poverty allowance and summer school allowance provisions of the state aid allocation may increase. However, it is assumed the redefinition of poverty students in the bill will not result in increased school spending on poverty or summer school programs, so little, if any change in the amount of the poverty or summer school allowances for school districts is anticipated. If the dollar amount of allowances does not change, then the bill will have no fiscal impact in terms of reallocating TEEOSA aid in the future.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB:524	AM:	AGENCY/POLT. Dept of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/26/2015	PHONE: 471-4179
COMMENTS: I agree with the Department of Education's assessment.			

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

2015

LB⁽¹⁾ 524

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Dept of Education

Prepared by: ⁽³⁾ Jen Utemark

Date Prepared: ⁽⁴⁾ 1/22/15

Phone: ⁽⁵⁾ 402-471-3323

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

If LB 524 passes as introduced, it is likely to increase Equalization Aid. For allowance purposes under current statute, poverty students calculations uses the greater of low-income students or the number of students who are free lunch and free milk students in a district. Poverty students would be redefined to mean the greater of the number of low-income students or the free lunch and free milk calculated students in a district. The average percentage of students qualifying for free or reduced-price lunches in school buildings that provide free meals to all students pursuant to the Community Eligibility Provision shall equal the identified student percentage calculated pursuant to such federal provision. Equalization Aid may increase because the identified student percentages has potential to be higher than the household applications method. Fiscal impact is unknown and difficult to determine at this time due to factors such as equalized or non-equalized and the districts participating in the Community Eligibility Provision program.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____