

**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>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS			\$5,357,500	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>			\$5,357,500	

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

LB 739 pertains to the learning community, which includes eleven school districts in Douglas and Sarpy counties. The bill repeals the common levy and special building fund levy authorized for school districts in the learning community. The calculation of state aid (TEEOSA) on a collective basis for school districts in the learning community is eliminated.

Repeal of Common Levy: The bill repeals the common \$.95 levy for school districts which are members of a learning community. The levy generates about \$492.5 million of property taxes in 2015. The common levy is currently allocated among member districts proportionally based upon the difference of the district's formula need less the sum of state aid and other actual receipts. The repeal allows each district to levy an individual levy and receive the amount of property taxes collected per the valuation of the district. Some districts in the learning community will have decreased property tax receipts and others will have increased receipts pursuant to the repeal.

Repeal of Special Building Fund Levy: LB 739 also repeals the authorization for a special building funds levy for the learning community. The levy is a maximum of \$.02 and would generate about \$10.4 million based upon 2015 valuations. Taxes received from the levy are distributed proportionately to member school districts based on formula students. The learning community schools did not utilize the levy in 2015.

Change in Calculation of State Aid (TEEOSA): Currently, state aid for the eleven school districts in Sarpy/Douglas counties in the learning community is calculated collectively. The combined formula needs of all the districts in the learning community are compared to the combined formula resources of all districts in the learning community to determine the amount of equalization aid for the school districts in the learning community. Each school district receives a proportional share of equalization aid based upon its share of total formula needs. Assuming the bill takes effect for the state aid allocation beginning in FY2017-18, the repeal of the pooling concept for state aid for the learning community will increase state aid to schools by about \$5,357,500, based upon state aid calculated for FY17.

Learning Community of Douglas and Sarpy Counties: The bill has no fiscal impact for the learning community. The repeal of the common levy, special building fund levy and the change in the calculation of state aid impacts the school districts in the learning community, but not the learning community itself. There will be a minimal reduction in the duties of the learning community with respect to preparing and submitting a budget for the common levy.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB:739	AM:	AGENCY/POLT. Department of Education
REVIEWED BY: James Van Bruggen	DATE: 1/11/16	PHONE: 471-4179
COMMENTS: The number provided by the Department of Education is an estimate. An actual number can be calculated when the Department of Education certifies aid.		

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

**2016**

**LB<sup>(1)</sup> 739**

**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> 1/8/16

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	\$5,000,000		\$5,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$5,000,000</b>		<b>\$5,000,000</b>	

**Explanation of Estimate:** Total TEEOSA aid paid to the Learning Community was lowered by the amount the two non-equalized districts in the Learning Community had resources in excess of needs. When the Learning Community calculation is eliminated from TEEOSA the non-equalized amount would be restored to the other districts in the Learning Community.

**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.....			\$5,000,000	\$5,000,000
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$5,000,000</b>	<b>\$5,000,000</b>