

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	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 326 provides authority for certain school districts to levy up to \$.03 on an annual basis, if the additional levy is approved by two-thirds majority vote of the school board after a public hearing. The bill provides that any school district for which the calculation of total disbursements divided by average daily membership for the most recent complete data year is below the statewide median of such calculation may opt for the additional levy.

NDE Expenditures: The State Department of Education (NDE) is required to certify the calculation amounts on or before September 15, 2017 and on or before March 1 each year thereafter. NDE indicates there will be a minimal increase in workload and annual costs to provide the required certifications which can be handled with existing staff and resources.

Property Tax Levies: There were 47 school districts which would be eligible for the additional levy authority in LB 326 when using the most recent data from the 2015-16 Annual Finance Report for school districts. The calculation assumes the bill impacts school districts which were levying at or within \$.03 of the current \$1.05 levy limit. If all of the impacted districts increased levies up to the amount allowed by the bill, then property taxes would increase by \$31 million.

TEEOSA Impact: Any increase in spending by school districts with the additional levy proceeds will increase general fund operating expenditures used in the state aid formula which may result in an increase in state aid allocated per the Tax Equity and Educational Opportunities Support Act, two years after the spending increase occurs.

It should be noted the bill does not allow school districts to exceed the budget limit, so increased spending with levy proceeds could not occur in districts which are at their budget limitation.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 326	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: James Van Bruggen	DATE: 1/24/17	PHONE: (402) 471-4179	
COMMENTS: Agree with the Department of Education's statements of minimal fiscal impact to the agency. The bill does provide a new avenue for school districts to collect more property taxes.			

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**2017**

**LB<sup>(1)</sup> 326**

**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> 1/20/17

Phone: <sup>(5)</sup> 402-471-4320

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB326 allows school districts to levy an additional \$.03 with a two-thirds majority vote of the board if the district is below the statewide median of total disbursements divided by average daily membership. The largest schools in the state are the most likely to meet the disbursement divided by average daily membership requirement. This bill results in potential property tax increases at the qualifying districts.

There will be an additional expense to the NDE to certify the statewide median disbursement divided by average daily membership information, which includes each schools individual calculation, but the overall cost to NDE would be minimal.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>