

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|---------|-------------------|---------|
| | FY 2017-18 | | FY 2018-19 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | (\$6,402) | | (\$6,402) | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | (\$6,402) | | (\$6,402) | |

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

LB 512 relates to education. The following provisions of the bill will have a fiscal impact.

Repeal of the Best Practices Allowance and Best Practices Aid: The bill changes the Tax Equity and Educational Opportunities Support Act (TEEOSA) by eliminating the best practices allowance in the state aid formula. Current law provides that competitive innovative grant projects funded with lottery funds which are recommended as best practices by the State Board of Education are to be included in a best practices allowance in the state aid formula beginning in FY2021-22.

Allowances in the TEEOSA formula attribute expenditures for a specific purpose to school districts incurring the expenditures. This reduces the amount of basic funding available in the formula which impacts districts in the same comparison group. Generally, the inclusion of an allowance does not significantly affect the amount of overall aid distributed. So, the elimination of the allowance will have minimal fiscal impact.

The bill also eliminates best practices aid in the state aid formula. The provision allowing a few districts to receive best practices aid will increase TEEOSA aid by up to \$500,000 each fiscal year depending upon the projects approved for the best practices allowance. The elimination of best practices aid will decrease TEEOSA aid by up to \$500,000 per year beginning in FY2021-22.

Repeal of the Council on School Attendance: The bill repeals a ten member Council on School Attendance established by LB 464 in 2013. The elimination of the Council reduces annual expenditures of the State Department of Education by \$6,402 of general funds beginning in FY2017-18. The funds are primarily used for the reimbursement of expenses for council members.

| | | |
|---|---------------|---|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | |
| LB: 512 | AM: | AGENCY/POLT. SUB: Department of Education |
| REVIEWED BY: James Van Bruggen | DATE: 2/22/17 | PHONE: (402) 471-4179 |
| COMMENTS: Agree with the Department of Education's statement of no fiscal impact. | | |

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

2017

LB⁽¹⁾ 512

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾ Brian Halstead

Date Prepared: ⁽⁴⁾ 2/16/17

Phone: ⁽⁵⁾ 471-0732

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 | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

Explanation of Estimate:

There is no fiscal impact to NDE.

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..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |