

Revised to reflect updated poverty data from NDE

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	(\$12,701,270)		\$20,336,879	
CASH FUNDS	\$311,394,300		\$319,152,781	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$298,693,030</b>		<b>\$339,489,660</b>	

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

NDE provided updated numbers for the Poverty Allowance within the TEEOSA formula. Those updates made the following changes to the Certified TEEOSA amounts, which will be reflected when NDE is required to recertify TEEOSA by June 15 as required by LB 583. The estimated amounts for Foundation Aid & the reimbursement of Special Education remain the same as previous estimates. However, the overall amount of TEEOSA aid changes slightly due to the updated poverty data. The changes are shown in the table below:

<b>Changes to TEEOSA:</b>	<b>FY2023-24</b>	<b>FY2024-25</b>	<b>FY2025-26</b>	<b>FY2026-27</b>
<b>Certified</b>	\$1,080,392,252	\$962,525,877	\$978,651,485	\$1,000,666,912
<b>With New Poverty Data</b>	\$1,069,914,958	\$952,990,884	\$970,746,506	\$993,315,442
<b>Difference</b>	(\$10,477,302)	(\$9,534,993)	(\$7,904,979)	(\$7,351,470)
<b>LB583 w/ New Poverty Added TEEOSA Aid</b>	\$1,180,044,238	\$1,096,008,047	\$1,110,410,464	\$1,133,810,845
	\$110,129,280	\$143,017,164	\$139,663,958	\$140,495,403

	<b>FY2023-24</b>	<b>FY2024-25</b>	<b>FY2025-26</b>	<b>FY2026-27</b>
<b>General Funds – LB583</b>	(\$2,223,969)	\$29,871,872	\$25,665,912	\$25,579,813
<b>General Funds - Poverty</b>	(\$10,477,302)	(\$9,534,993)	(\$7,904,979)	(\$7,351,470)
<b>24% Foundation Aid</b>	\$112,353,248	\$113,145,292	\$113,998,046	\$114,915,590
<b>Total Change in TEEOSA Aid</b>	\$99,651,977	\$133,482,171	\$131,758,979	\$133,143,933
<b>Special Aid to 80%</b>	\$199,041,052	\$206,007,489	\$213,217,751	\$220,680,372

**AM1636 amends LB583 as follows:**

Increases the amount that the Nebraska Department of Education (NDE) will reimburse each school district for the special education & support services provided each year to eighty percent of the district’s total allowable excess costs.

Adds the amount available in the Education Future Fund to what the State Treasurer must notify the director of Administrative Services of. For which, the director can draw upon as appropriated.

If the General Fund appropriations for Special Education approved by the Legislature minus the amounts set aside are insufficient to reimburse the eighty percent of the total allowable excess costs for all special education program & support services for any school year, the allowable excess costs will be reimbursed out of the General Fund appropriations approved by the Legislature, minus the amounts set aside, on a pro rata basis at the maximum rate of reimbursement that appropriations will allow as determined by NDE. The remainder of the eighty percent reimbursement of allowable excess costs will be paid from the Education Future Fund.

For school year 2023-24 & each school year thereafter, net option funding will be the product of the net number of option students multiplied by the difference of the statewide average basic funding per formula student minus the amount of foundation aid paid per formula student.

For school year 2023-24 & each school year thereafter, NDE will determine the foundation aid to be paid to each school district. The foundation aid to be paid to each school district in each school year will equal one thousand five hundred dollars multiplied by the number of formula students for such school district. Twenty-four percent of the total amount of foundation aid paid each school year will be paid from money appropriated from the Education Future Fund.

For school years 2023-24 & 2024-25, one hundred percent of foundation aid will be included as a formula resource. For school year 2025-26 & each school year thereafter, sixty percent of foundation aid will be included as a formula resource.

Each year on or before November 15, NDE will submit the total allowable excess costs for all Special Education programs & support services for all the school districts, cooperatives of school districts, & the Educational Service Units (ESUs) & the total reimbursements requested for the most recently completed school year.

For FY2023-24 & each school year thereafter, each school district will submit a report to NDE that includes the amount of additional State Aid received by the district for that year as a result of legislation enacted during the most recently completed legislative session, & the amount the district reduced its property tax request for that school year, if any reduction occurred. NDE will compile the information received and will submit a comprehensive report electronically of all the information annually to the Governor, the chairperson of the Education Committee of the Legislature, & the Clerk of the Legislature.

**AM970 updates LB583 as follows:**

For school year 2023-24 & each school year thereafter, the Nebraska Department of Education (NDE) will determine the supplemental special education allowance for each school district. That allowance will be an amount equal to eighty percent of the total allowable excess costs for all special education programs & support services provided by the school district, minus the amount of the reimbursement received by the school district.

For school year 2023-24 & each school year thereafter, the total amount of equalization aid that is attributable to supplemental special education allowances will be paid from the Education Future Fund.

For school year 2023-24 & each school year thereafter, net option funding will be the product of the net number of option students multiplied by the difference of the statewide average basic funding per formula student minus the amount of foundation aid paid per formula student.

For school year 2023-24 & each school year thereafter, NDE will determine the foundation aid to be paid to each school district. The foundation aid to be paid to each school district in each school year will equal one thousand five hundred dollars multiplied by the number of formula students for such school district. Twenty-three percent of the total amount of foundation aid paid each school year will be paid from money appropriated from the Education Future Fund.

For school years 2023-24 & 2024-25, one hundred percent of foundation aid will be included as a formula resource. For school year 2025-26 & each school year thereafter, sixty percent of foundation aid will be included as a formula resource.

For state aid calculated for school year 2023-24 & each school year thereafter, local system formula resources will include: other actual receipts, net option funding, allocated income tax funds, community achievement plan aid, a percentage of foundation aid, & is reduced by amounts paid by the district in the most recently available complete data year as property tax refunds.

For school year 2023-24 & each school year thereafter, each school district will submit a report to NDE that includes the following information:

- The amount of additional state aid received by the school district for that school year as a result of legislation enacted during the most recently completed legislative session
- The amount the school district reduced its property tax request for that school year, if any such reduction occurred

NDE will compile the information received from the school districts & will submit a comprehensive report of all that information annually to the Governor, the chairperson of the Education Committee of the Legislature, & the Clerk of the Legislature.

**LB583** amends several sections to provide Foundation Aid & Special Education Supplemental Aid under the Tax Equity & Educational Opportunities Support Act (TEEOSA).

Starting in FY2023-24, school districts will receive foundation aid equal to \$1,500 for each formula student in that district. Districts will also get special education supplemental aid that will equal eighty percent of the actual anticipated expenditures of the district for their special education minus the total amount of state & federal funds that will be provided to the district for their special education, excluding this special education supplemental aid & will not be factored as a formula resource into the district's TEEOSA calculation.

Starting in FY2023-24, the resources used in the local system formula will include:

- Other actual receipts
- Net option funding
- Allocated income taxes
- Community achievement plan aid
- Foundation aid

The total of the above resources will be reduced by the amount of property tax refunds paid by the district in the most recent available complete data year.

The Special Education Supplemental Aid will be 80% of the actual anticipated special education costs minus the State & Federal funds provided excluding the Special Education Supplemental Aid.