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DATE PREPARED: February 07, 2012  
PHONE: 471-0054

**LB 947**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$28,815,286		\$28,252,297	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$28,815,286		\$28,252,297	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 947 changes the formula which provides state aid to schools pursuant to the Tax Equity and Educational Opportunities Support Act (TEEOSA).

Base Limitation/Cost Growth Factor: The base limitation rate or basic allowable growth rate in the aid formula is increased from .5% to 2% for FY2012-13. An increase in the base limitation rate increases the cost growth factor in the formula which is used to inflate school district expenditures for purposes of calculating aid. The increase in the cost growth factor increases the amount of state aid that is provided as basic funding. The estimated state aid increase is \$23,503,615 of general funds in FY2012-13 and \$28,994,953 of general funds in FY2013-14.

Averaging Adjustment: The averaging adjustment increases need for districts whose basic funding per student is less than the averaging adjustment threshold. The bill increases the averaging adjustment threshold by .5% in FY2012-13. The increase in the threshold used to compute the averaging adjustment increases state aid for districts receiving the averaging adjustment. The estimated fiscal impact of the change is an increase in state aid of \$5,311,671 general funds in FY2012-13 and a slight decrease in state aid of \$742,656 in FY2013-14.

State Aid Certification Date Change: The bill, as amended, changes the certification date for FY2012-13 TEEOSA state aid to schools from on or before March 1, 2012 to on or before April 15, 2012.

Summary: The bill increases state aid by an estimated \$28,815,286 of general funds in FY2012-13 and by \$28,252,297 in FY2013-14.

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LEGISLATIVE FISCAL

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

LB<sup>(1)</sup> 947 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Department of Education

Prepared by: (3) Russ Inbody Date Prepared: (4) January 12, 2012 Phone: (5) (402) 471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$47,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$47,000,000			

Return by date specified or 72 hours prior to public hearing, whichever is earlier.  
Explanation of Estimate:

The bill increases the budget growth for school districts from .5% in 2012-13 to 2%.

The calculation of the averaging adjustment threshold for 2012-13 would be increased by 2.005%. The increase in the averaging adjustment threshold would generate additional need for school districts that qualify for the Average Adjustment component of State Aid.

The certification date for State Aid and budgeting factors for the 2012-13 fiscal year would move from March 1, 2012 to April 15, 2012.

The fiscal impact may include increased spending for school districts. Increased spending and the increase in the averaging adjustment in the State Aid formula would increase State Aid to schools. Current projections for 2012-13 range from \$829 to \$845 million. According to projections from the Legislative Fiscal Office this bill may add an additional \$47 to \$31million to the 2012-13 State Aid Estimate (to \$876 million).

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013 EXPENDITURES	2013-2014 EXPENDITURES
	12-13	13-14		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				