

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	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 1065 redefines free lunch and free milk students for purposes of the Tax Equity and Educational Opportunities Support Act (TEEOSA) to include students who are provided free meals pursuant to the Community Eligibility Provision (CEP). This provision is an option in the federal National School Lunch and Breakfast Programs for school districts to offer free meals to all students in high poverty schools.

The bill provides for free lunch and free milk students to equal 110% of the students qualified for free meals in a district multiplied by the identified student percentage pursuant to the federal community eligibility provision. The identified federal percentage is the percentage of students that are eligible for free meals due to their participation in other programs such as Supplemental Nutrition Assistance, HeadStart, etc. LB 1065 also provides that the calculation for state aid purposes cannot exceed 100% of the students qualified for free meals in the district per the community eligibility provision. The number of free lunch and free milk students is used to calculate the poverty allowance in the TEEOSA formula. The new definition is effective beginning with aid distributed in FY2017-18.

Community Eligibility Provision: Schools eligible for the CEP must have at least 40% of the students identified as poverty students in order to participate. Some school districts in the state are currently weighing the possibility of applying for CEP. Four districts are currently in the program (Santee, Umo'ho' Nation, Walthill, one private school) and Omaha Public Schools is piloting the option in six elementary schools this semester according to the State Department of Education.

Poverty Allowance: LB 1065 increases by 10% the number of free lunch students which are used in to calculate the poverty allowance in the state aid formula for districts providing free meals to students pursuant to the CEP. NDE indicates the 10% increase to reflect students participating in the CEP should have minimal impact on the calculation of the poverty allowance in the formula because it appears to mirror the number of students who actually qualified for free lunch or milk programs in the past prior to the district transitioning to the community eligibility provision.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 1065	AM:	AGENCY/POLT. Nebraska Department of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/25/16	PHONE: 471-4179
COMMENTS: No basis to disagree with the Department of Education.			

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

2016

LB⁽¹⁾ 1065

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Dept. of Education

Prepared by: ⁽³⁾ Bryce Wilson/Jen Utemark

Date Prepared: ⁽⁴⁾ 1/21/16

Phone: ⁽⁵⁾ 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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

If LB 1065 is passed as introduced, the poverty allowance calculation would equal 110% of the students qualified for free meals at such school pursuant to the community eligibility provision multiplied by the identified student percentage, except that the calculation would not be allowed to exceed 100% of the students qualified for free meals at such school pursuant to the community eligibility provision. The identified student percentage is federally defined as part of the community eligibility provision and represents the percentage of students attending a school that are prequalified to receive free lunches due to their participation in other programs. No fiscal impact is forecasted at this time for purposes of state aid pursuant to TEEOSA specifically as it relates to the poverty allowance. All data tested concludes a 1.1 multiplier is an efficient and direct approach with results consistent to the numbers of students who qualified for free lunch or free milk prior to the transition prior to community eligibility provision.

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.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____