

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

The transit aid program currently authorized by statute is designed to provide operating assistance to local transit providers in an amount up to 50% of their operating deficit. The source of funding for this state aid program is the Highway Cash Fund and the program is administered by the Department of Roads.

The current distribution policy of the Department is to first fully fund the requests from all transit providers other than Star Tran (Lincoln) and Metro Area Transit (MAT) (Omaha area), and then allocate the balance of any available funding to Star Tran and MAT. LB 182 would change this distribution policy to provide that all transit providers would receive the same proportion of available funding. For example, if the appropriation funded 32% of the total cost of all requests for funding, each transit provider would receive 32% of their request. Under the current distribution method all transit providers other than Star Tran and MAT receive 100% of their request, and MAT and Star Tran share in any funding left over.

The following table illustrates how LB 182 would change the distribution of state aid between MAT, Star Tran and the other transit providers using the FY07 appropriation and distribution as the example. As shown, funding would have been reallocated to MAT and Star Tran from the other systems. With the passage of LB 182, similar reallocations will occur beginning in FY08 if it is assumed that funding levels will be comparable to FY07.

Transit Provider	FY07 Appropriation and distribution <u>under current policy</u>	FY07 Appropriation and distribution if LB 182 had <u>been in effect*</u>	Change in distribution of state aid
Metro Area Transit	1,078,963	1,460,332	+381,369
Star Tran	408,005	999,488	+591,483
All other providers	1,439,932	467,080	(972,852)
Total	2,926,900	2,926,900	0

\* Based on funding 32.4% of the total cost of the transit aid program in FY07.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS			
No fiscal impact on the Department of Roads.			