

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				
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 572 amends Nebraska Revised Statutes Sections 77-4209, 77-5725, and 79-1001, to provide termination dates and change sunset dates.

Section 77-4212 is amended to terminate the Property Tax Credit Act on January 1, 2020.

Based on the current level of funding for the Property Tax Credit Act, the reduction in expenditures from the Property Tax Credit Cash Fund would be \$224,000,000 in FY2020-21 with an increase in General Fund revenue of \$224,000,000.

Section 77-5725 is amended to change the sunset dates for the Nebraska Advantage Act. The bill provides that no new applications will be accepted after December 31, 2019.

The Department of Revenue indicates that the change in sunset date for the Nebraska Advantage Act is not expected to have a General Fund impact; the Department expects an influx of applications prior to the new sunset date with attainment being achieved later.

We have no basis to disagree with the Department of Revenue assessment.

Section 79-1001 is amended to terminate the Tax Equity and Educational Opportunities Support Act on January 1, 2020.

The impact of terminating TEEOSA, would be a reduction in General Fund expenditures of \$ 1,168,629,984 in FY20-21.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 572	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: James Van Bruggen	DATE: 3/8/17	PHONE: (402) 471-4179	
COMMENTS: Concur with the Department of Revenue's statements.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 572	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: James Van Bruggen	DATE: 1/24/17	PHONE: (402) 471-4179	
COMMENTS: Agree with the Department of Education's statements.			

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

2017

LB⁽¹⁾ 572

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Education

Prepared by: ⁽³⁾

Bryce Wilson

Date Prepared: ⁽⁴⁾

1/23/17

Phone: ⁽⁵⁾

402-471-4320

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:

LB572 terminates TEEOSA on January 1, 2020. This bill also terminates the property tax credit on January 1, 2020. The fiscal impact of this bill for fiscal years after January 1, 2020 cannot be determined but the elimination of TEEOSA would likely reduce state expenditures by over \$1 billion if a replacement funding formula is not enacted before that date. Eliminating the property tax credit would likely reduce state expenditures around \$224 million which is the current amount of the property tax credit.

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.....	_____	_____	_____	_____