

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$150,248,154		\$169,918,892	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$150,248,154</b>		<b>\$169,918,892</b>	

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

LB 876 relates to the amount of aid appropriated for special education programs and support services. The bill requires that General Funds shall be appropriated beginning in FY2018-19 and thereafter to fund at least 80% of the excess allowable costs for all special education programs and support services plus the amount set aside for the reimbursement of residential settings. The amount is based upon the excess allowable costs of programs and services in the preceding year.

The State Department of Education (NDE) estimated the fiscal impact of the bill based upon reported excess allowable costs for FY2016-17. The reported costs for special education programs were inflated by 6% each year and the reported costs for transportation services were inflated by 5% each year to arrive at estimated costs in FY19 and FY20. The inflationary increases represent the average increase in the most recent three years.

The calculations by NDE appear reasonable. The estimated amount of general funds needed to fund 80% of excess allowable costs in FY19 is \$374,531,902. The current general fund appropriation is \$224,283,748, so the estimated fiscal impact of the bill is \$150,248,154 in FY19. NDE projects that \$396,445,477 of general funds will be needed to fund 80% of excess allowable costs in FY20. The general fund appropriation for FY20 is \$226,526,585, so the bill has a general fund fiscal impact of \$169,918,892 in FY20.

It is important to note there is a maintenance of effort provision relative to special education funding, so the amount of general funds appropriated in any fiscal year must be maintained in the next fiscal year in order to continue to receive federal IDEA funds.

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**2018**

**LB<sup>(1)</sup> 876 REVISED**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Education

Prepared by: <sup>(3)</sup> Prochazka Date Prepared: <sup>(4)</sup> 1/12/18 Phone: <sup>(5)</sup> 402-471-4314

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$150,248,154</u>	_____	<u>\$169,918,892</u>	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$150,248,154</u>	_____	<u>\$169,918,892</u>	_____

Explanation of Estimate:

Projected reimbursement in excess of 2017-18 Special Education appropriation. Projection based on school district reported special education excess allowable costs for State General Funded special education programs and support services based on 2016-17 school year reported costs and historical program growth. Increase to State General Funded Special Education reimbursement, increases the dollar amount necessary to comply with IDEA Maintenance of State Financial Support (MFS).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	<u>\$150,248,154</u>	<u>\$169,918,892</u>
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$150,248,154</u>	<u>\$169,918,892</u>