

PREPARED BY: Sandy Sostad
 DATE PREPARED: January 30, 2018
 PHONE: 471-0054

LB 1103

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$192,240,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$192,240,000	

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

LB 1103 changes the amount of state aid provided to schools through the Tax Equity and Educational Opportunities Support Act (TEEOSA) beginning in FY2019-20. The bill provides that the amount of aid distributed to each school district is to be the greater of 25% of the basic funding calculated for the school district or the total amount calculated pursuant to the act.

If the bill was in effect in FY2018-19, an additional \$197,435,000 of general funds would be needed to provide a minimum funding level equal to 25% of basic funding. Based upon estimated state aid to be paid in FY2019-20, the estimated fiscal impact of the bill is an additional \$192,240,000 of general funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1103 AM: AGENCY/POLT. SUB: Department of Education

REVIEWED BY: Gary Bush DATE: 01/31/18 PHONE: [\(402\) 471-4161](tel:4024714161)

COMMENTS: No basis to disagree with the estimate provided. The amount appears to be reasonable.

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

2018

LB⁽¹⁾ 1103

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Jen Utemark Date Prepared: ⁽⁴⁾ 1/22/18 Phone: ⁽⁵⁾ 402-471-3323

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	_____	_____	\$197,435,143	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	<u>\$197,435,143</u>	=====

Explanation of Estimate:

LB 1103 changes the amount of state aid allocated per the Tax Equity and Educational Opportunities Support Act (TEEOSA) and the amounts to be distributed to each local system under the act. This bill provides that each school district will receive a specified minimum amount of state aid beginning in FY2019-20. The amount to be distributed and certified to each local system shall be the greater of twenty-five percent of the basic funding calculated for the school districts in such local system or the total amount calculated pursuant to TEEOSA.

If LB 1103 is passed as introduced, TEEOSA aid will increase as all school districts are funded by a minimum aid requirement. The minimum funding requirement would allow the current formula under statute to calculate aid based on the balance of needs vs. resources and then determine the higher of the total aid calculated or the minimum aid requirement.

Based upon the modeled calculation of state aid per the formula for the FY2018-19 school year, LB 1103 will result in an estimated increase of \$197,435,143 of general funds needed for TEEOSA aid beginning in FY2019-20.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	\$197,435,143
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	<u>\$197,435,143</u>