

PREPARED BY: Sandy Sostad
 DATE PREPARED: February 25, 2019
 PHONE: 471-0054

LB 416

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	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 416 changes the basis for allocating state apportionment funds to public school districts. The bill provides that state apportionment funds from the temporary school fund shall be proportionately allocated to schools based on the average daily membership for each school district in the most recently available complete data year. Current law provides for state apportionment to be based upon the census of children who are age five through age eighteen in a district.

State apportionment aid to schools totaled \$49.8 million in FY2017-18. The bill does not change the total amount of state apportionment provided to school districts. However, it will change the amount of state apportionment received by individual school districts because the number of students which is used to prorate the allocation is altered by the bill. While the overall amount per student distributed as state apportionment will increase because there will be a smaller number of students used in the calculation, the amount of increase or decrease in aid received by each district will vary depending upon the concentration of non-public students in a district.

Since state apportionment is a local resource for purposes of the Tax Equity and Educational Opportunities Support Act, a change in the amount of apportionment aid received by a school district may impact the amount of TEEOSA state aid received, two years after the change in apportionment aid occurs, beginning in FY2021-22. So, equalized districts which have decreased apportionment aid pursuant to the bill will likely have the loss in aid restored through the state aid formula.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	416	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY:	Gary Bush	DATE:	01/29/19
		PHONE:	(402) 471-4161
COMMENTS: No basis to disagree with the estimate provided by the agency.			

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

2019

LB⁽¹⁾ 416

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/23/19 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

This bill would change the distribution of the temporary school fund and county fines and licenses to be based upon the most recent calculation of district formula students rather than the current practice of using the district census of all resident children ages 5-18.

LB 416 would change the allocation between school districts of Apportionment and County Fines and Licenses proceeds. Districts that contain non-public schools within their boundaries would receive less since non-public students residing in those districts would no longer be included in their count.

No fiscal impact to NDE or the State.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____