

PREPARED BY: Sandy Sostad
 DATE PREPARED: February 22, 2019
 PHONE: 471-0054

LB 588

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 | (\$26,086,674) | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | (\$26,086,674) | | | |

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

LB 588 changes the local effort rate in the Tax Equity and Educational Opportunities Support Act (TEEOSA). The local effort rate in the state aid formula is currently set at \$1.0203 in FY2018-19 and \$1.00 in FY2019-20 and FY2020-21. The bill increases the local effort rate to \$1.02 in FY2019-20.

The increase in the local effort rate in FY19 reduces the amount of state aid provided to school districts because the formula assumes a district has increased local resources. The estimated decrease in state aid is \$26,086,674 of general funds in FY2019-20.

| | | | |
|--|-----------|--------|---|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: | 588 | AM: | AGENCY/POLT. SUB: Department of Education |
| REVIEWED BY: | Gary Bush | DATE: | 02/06/19 |
| | | PHONE: | (402) 471-4161 |
| COMMENTS: Agree with the estimate on the impact on TEEOSA state aid for FY2020. | | | |

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

2019

LB⁽¹⁾ 588

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept. 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 | <u>(\$26,000,000)</u> | <u> </u> | <u> </u> | <u> </u> |
| CASH FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| FEDERAL FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| OTHER FUNDS | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u>(\$26,000,000)</u> | <u> </u> | <u> </u> | <u> </u> |

Explanation of Estimate:

LB 588 increases the Local Effort Rate (LER) from \$1.00 to \$1.02. The Local Effort Rate is multiplied by the adjusted valuation in TEEOSA to determine what local property tax resources are available to school districts.

An increase in the LER decreases the amount of TEEOSA paid to equalized school districts.

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..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Operating..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Travel..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Capital outlay..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Aid..... | <u> </u> | <u> </u> | <u>(\$26,000,000)</u> | <u> </u> |
| Capital improvements..... | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL..... | <u> </u> | <u> </u> | <u>(\$26,000,000)</u> | <u> </u> |