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LB 521

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See Below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 521 requires school districts to report the number of free lunch and free milk students and the number of limited English proficiency students on the fall membership report. These student counts will then be used to compute state aid pursuant to the Tax Equity and Educational Opportunities Support Act.

It is assumed the bill allows a higher number of free lunch and free milk students to be used for purposes of computing the poverty factor in the state aid formula. Using the fall membership report rather than the number of claims filed for reimbursement with nutrition services yields a greater number of free lunch and free milk students. It may also provide for an increase in the number of limited English proficiency students used to compute state aid because the fall membership report will be used rather than a survey report that is currently used.

Prior to the passage of LB 1024 (2006) a change in the number of students used in the formula would have been almost cost neutral in terms of the total amount of state aid distributed because aid would have shifted between school districts. However, the provision in LB 1024 which fixes need at least at the prior year's level, if a district levies \$.99 or more means the change will result in an unknown increase in state aid beginning in 2008-09. It is assumed the increase will not be significant unless there is a substantial difference in the student counts that will be used in the calculation.