

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

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

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

LB 640 provides an additional \$.05 levy for learning communities for capital projects approved pursuant to the bill. The proceeds from the levy may be used for one-time reductions of bonded indebtedness required for approved projects in an amount not to exceed 50% of the estimated cost of the project. The funds are to be transferred to the school district for which the project was approved.

Projects which may be approved by a learning community that will be eligible to be funded by the additional levy include capital projects to purchase, construct or remodel facilities for a focus school or program, or a school or program that will attract a more economically and culturally diverse student body than would otherwise attend such school or program. Repayment of the funds to the learning community is required with interest, if the use of the facility is changed from the original purpose within ten years of receiving the funds, unless the facility is for another focus school or program serving a more economically or culturally diverse student body.

The fiscal impact of the bill will vary on an annual basis depending upon approved projects and the amount of property taxes levied. The certificate of taxes levied for 2006 shows a valuation of \$39,992,877,010 for the eleven school districts in the metro learning community. A learning community will be allowed to levy property taxes beginning in 2008-09. Assuming a 5% annual increase in valuations, the additional \$.05 levy will generate an estimated \$22 million in 2008-09. This is the maximum amount that could be allowed for capital projects meeting the criteria in the bill.

It is assumed the State Department of Education has sufficient budgetary resources to handle the revision of a rule pursuant to the bill.