

PREPARED BY: Bill Biven, Jr.
 DATE PREPARED: February 21, 2024
 PHONE: 402-471-0054

LB 1006

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See Below	

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

LB1006 amends §79-1005.01 to change the provisions related to allocated income tax funds within the Tax Equity & Educational Opportunities Support Act (TEEOSA).

Beginning with the 2025-26 school year & each school year thereafter, each local system's allocated income tax funds will be calculated by multiplying the local system's income tax liability certified by 20%.

EXPENDITURES:

By increasing the allocated income tax factor from 2.23% to 20% within the TEEOSA calculation, the result would increase the amount of TEEOSA aid by \$247,000,000.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1006	AM:	AGENCY/POLT. SUB: Nebraska Department of Education
REVIEWED BY:	Gary Bush	DATE:	1/11/24 PHONE: (402) 471-4161
COMMENTS: Agree with the agency that the bill would transfer General Funds to the Education Future Fund. Note: The Nebraska Property Tax Incentive Act is an individual income tax credit. By directing a transfer, the bill will have a negative General Fund impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1006	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY:	Gary Bush	DATE:	2/26/24 PHONE: (402) 471-4161
COMMENTS: Agree with the agency's estimate of no fiscal impact to agency. There would be a sizeable decrease to General Fund revenues as more income tax revenue is shifted to school districts as part of the TEEOSA School Aid formula.			

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

2024

LB⁽¹⁾ 1006

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/8/24 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	<u>\$247,000,000</u>	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>\$247,000,000</u>	<u>_____</u>

Explanation of Estimate:

LB 1006 changes the allocated income tax factor in the TEEOSA formula from 2.23% to 20%. Increasing the allocated income tax factor to 20% will increase the amount of TEEOSA state aid calculation with the increased funding going to the non-equalized districts. The approximate cost to increase the allocated income tax rebate using the 2023/24 TEEOSA certification is about \$247 million.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	<u>\$247,000,000</u>
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	<u>\$247,000,000</u>

