

PREPARED BY: Bill Biven, Jr.
 DATE PREPARED: February 16, 2024
 PHONE: 402-471-0054

LB 1348

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			(\$2,500,000)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			(\$2,500,000)	

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

LB1348 amends §79-1007.16 to change provisions relating to comparison groups for purposes of calculating basic funding under the Tax Equity and Educational Opportunities Support Act (TEEOSA).

Beginning with the 2025-26 school year & each school year thereafter, as part of establishing comparison groups for purposes of determining basic funding, in addition to the size comparison measured by formula students, comparable district assessed property valuations will be considered in the formula for establishing comparison groups. The comparison groups will not include districts that have more than double or less than one-half the assessed property valuations of the district for which the basic funding is being calculated.

EXPENDITURES:

Based off of the data for the FY2024-25 TEEOSA estimate, the changes will leave some districts without a comparison group & will reduce the amounts for both net option funding & equalization aid of approximately \$2,500,000.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1348	AM:	AGENCY/POLT. SUB: Nebraska Department of Education	
REVIEWED BY:	Gary Bush	DATE:	2/15/24	PHONE: (402) 471-4161
COMMENTS: The agencies estimate of the impact to TEEOSA appears to be reasonable.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1348	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue	
REVIEWED BY:	Gary Bush	DATE:	2/15/24	PHONE: (402) 471-4161
COMMENTS: Agree with the agency's estimate that there is no fiscal impact to the agency.				

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

2024

LB⁽¹⁾ 1348

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/22/24 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	_____	_____	(\$2,500,000)	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	(\$2,500,000)	=====

Explanation of Estimate:

LB 1348 changes the Basic Funding calculation which is a component of formula needs in the TEEOSA state aid calculation. This bill would require that any district with two times the assessed valuation or half of the assessed valuation of the district Basic Funding is being calculated for be removed from the basic funding comparison group.

LB 1348 would reduce the size of the comparison groups for basic funding which likely would create more fluctuations in the amount of state aid received by districts. There are some districts that would be left with no comparison group if this bill was passed as currently drafted.

NDE modeled this change using the 2024/25 TEEOSA information with the change causing a reduction of almost \$2.5 million. The reduction in total aid was a combination of net option funding and equalization aid both being reduced.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25 EXPENDITURES</u>	<u>2025-26 EXPENDITURES</u>
	<u>24-25</u>	<u>25-26</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	(\$2,500,000)
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	(\$2,500,000)

