

Revised on 2/6/14 to reflect amendments adopted through 2/5/14.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$32,929,696			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$32,929,696			

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

LB 725 makes a change to state aid allocated through the Tax Equity and Educational Opportunities Support Act (TEEOSA). The bill reduces the local effort rate in the formula for FY2014-15. The bill also changes the calculation of the student growth adjustment correction in the formula.

The local effort rate in the state aid formula is currently set at \$1.03 for FY15. LB 725 decreases the local effort rate to \$1.00. A reduction in the local effort rate increases the amount of state aid provided to school districts because the formula assumes a district has decreased resources. The estimated increase in state aid is \$35.7 million in FY15. Current law provides for the local effort rate to be \$1.00 in FY2015-16, so the provisions of the bill relating to the local effort rate have no fiscal impact in FY16.

LB 725 also changes the calculation of the student growth adjustment correction in the formula. The bill provides for the comparison of actual student growth to estimated student growth in the calculation of the student growth adjustment correction. This change decreases state aid by \$2,763,774 of general funds in FY15.

The net fiscal impact of the bill is a \$32,929,696 increase in general funds in FY15. The total amount of state aid to be allocated in FY15 is \$932,861,520 (\$913,461,520 general funds and \$19.4 million insurance premium tax funds).