

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$4,000		\$30,004,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$4,000		\$30,004,000	

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

LB 492 is the Education Facilities State Aid Act. The bill establishes a school bond aid program. The bill creates a six-member Education Facilities Review Board which is to approve projects based on established standards. The State Board of Education is to establish standards by December 31, 2007 for the approval of capital construction projects under the act. School districts may submit applications for bond aid pursuant to the bill beginning in 2008.

The State Department of Education (NDE) is to compute a school bond assistance factor for each eligible school district based upon a comparison of a district's adjusted valuation per student to the statewide average adjusted valuation per student. The factor, which can be up to 40% for districts not in a learning community and up to 55% for districts in a learning community is to be multiplied by a district's cost for an approved project for the ensuing fiscal year to arrive at the target state aid for each district.

NDE is to determine the state aid percentage for each district by dividing \$30 million by total target state aid. Each eligible district receives the district's target state aid multiplied by the state aid percentage. The amount of school bond aid received is to be deposited in the district's special building fund to be used for the project for which the funds were received. If the project is not begun within one year of when the funds are received, the funds are to be returned to the state General Fund.

It is assumed the bill requires an annual state general fund appropriation of \$30 million for school bond aid. It is also assumed the property tax levy for any project for which school bond aid is received will be reduced by the amount of school bond aid received. The fiscal impact of the bill for individual school districts will vary depending upon bond projects and the year in which aid is requested.

NDE projects the need for a .5 Office Assistant to implement the bill. This fiscal note does not assume the addition of any staff. NDE expenses are projected to increase by approximately \$4,000 of general funds each year for the Education Facilities Review Board.

*Technical note: It is assumed educational service units are not eligible for aid pursuant to the bill.