

Revised based upon amendments adopted through April 6, 2010.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2010-11</b>		<b>FY 2011-12</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB1072 does not directly impact the level of state aid appropriated for aid to community college areas. Related appropriations would remain at the discretion of the Legislature.

As amended, the bill provides that the Community College Foundation and Equalization Aid Act is to terminate on June 30, 2011. The existing act includes the formula basis for distribution of state aid appropriations among Nebraska's six community college areas. Additionally, the existing act establishes property tax levy rate limitations for community college area operations as well as provisions that establish allowable budget growth for purposes of determining community college area budget limitations.

The amended bill specifies state aid amounts to be distributed to the respective community college areas for 2010-11. In sum, the specified state aid amounts equate to the existing 2010-11 State General Fund appropriation for state aid to community college areas. For the current biennium, community college area state aid appropriations amount to \$86,966,256 for 2009-10 and \$86,758,025 for 2010-11 (as per LB1 – 2009 special session). The certified distribution of the 2009-10 state aid appropriation according to provisions of the Community College Foundation and Equalization Act and the proposed distribution of the 2010-11 state aid appropriation as specified in LB1072 are as follows:

Community College Area	Distribution of State Aid Appropriation		2010-11 vs. 2009-10	
	<u>2009-10</u>	<u>2010-11</u>	<u>\$Change</u>	<u>%Change</u>
Central	8,309,395	8,289,499	-19,896	-0.24%
Metropolitan	18,433,636	18,389,499	-44,137	-0.24%
Mid-Plains	8,271,177	8,251,373	-19,804	-0.24%
Northeast	12,815,139	12,784,454	-30,685	-0.24%
Southeast	27,198,344	27,133,220	-65,124	-0.24%
Western	<u>11,938,565</u>	<u>11,909,980</u>	<u>-28,585</u>	<u>-0.24%</u>
TOTAL	86,966,256	86,758,025	-208,231	-0.24%

The amended bill establishes a property tax levy rate limitation of 10.25¢ per \$100 of taxable property valuation to support community college area operations for 2010-11 and future fiscal years. Provisions of the Community College Foundation and Equalization Aid Act include annual computation of a local effort rate (LER) and establish an effective levy rate limitation at 20% above the LER computed for a given fiscal year to support community college area operations. For 2009-10, the computed LER is 8.5614¢ per \$100 of taxable valuation and the effective maximum levy rate to support community college area operations (at 20% above the LER) is \$10.2737¢ per \$100 of taxable valuation. In addition to specifying the maximum levy rate to support community college operations for 2010-11, LB1072 specifies allowable budget growth for purposes of determining community college area budget limitations for 2010-11 and future fiscal years.

As indicated above, LB1072 as amended would terminate the Community College Foundation and Equalization Act on June 30, 2011. The bill does not specify means by which distribution of state aid appropriations for 2011-12 and future fiscal years is to be determined.