

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$55,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$55,000,000	

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

LB 571 changes the calculation of the amount of allocated income taxes in the state aid formula per the Tax Equity and Educational Opportunities Support Act (TEEOSA). Beginning in the FY2018-19, the amount of allocated income taxes for a school district shall equal 20% of the aggregate statewide income tax liability of all resident individuals less the amount paid for option students. Currently, allocated income taxes for school districts are equal to 2.23% of aggregate income tax liability.

LB 571, in effect, changes the amount of allocated income taxes in the formula to be 14.56% of income tax liability as compared to 2.23% per current law. The percentage is lower than the 20% stated in the bill because the amount for option students is subtracted. The estimated fiscal impact of the bill is an increase in aid distributed as allocated income taxes and a decrease in equalization aid. The net fiscal impact of the bill is an additional \$55 million of state aid allocated in FY2018-19. The increased state aid will accrue to school districts which are non-equalized.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 571	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: James Van Bruggen	DATE: 1/27/17	PHONE: (402) 471-4179
COMMENTS: The Department of Education's estimates appear reasonable.		

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

2017

LB⁽¹⁾ 571

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Education

Prepared by: ⁽³⁾ Wilson/Utemark

Date Prepared: ⁽⁴⁾ 1/24/17

Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	\$55,000,000	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	\$55,000,000	=====

Explanation of Estimate:

LB571 increases the income tax rebate from two and twenty-three hundredths percent for 2017/18 to twenty percent minus the net option funding amount for 2018/19. The increase in TEEOSA aid would go to the non-equalized districts.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	\$55,000,000
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	\$55,000,000