

LB 1290 FISCAL NOTE

Revised on 4/12/94 based on amendments adopted through 4/8/94.

Sandy Sostad
April 12, 1994

	FY 1994-95		FY 1995-96	
	Expenditures	Revenue	Expenditures	Revenue
GENERAL				
CASH				
FEDERAL				
OTHER				
TOTAL				

LB 1290 provides that state aid to education will be calculated using the adjusted valuation for the property tax year ending during the school year in which the aid is to be paid beginning in 1994-95. The bill also provides for the use of prior year student information rather than two year old data. Beginning in 1994, the Department of Revenue is required to provide the Department of Education with adjusted property valuation by school district based on adjustment factors for classes of property. The valuations done on a school district basis will be used to compute state aid beginning in 1994-95. Schools may file objections to adjusted valuations with the Tax Commissioner who shall have hearings on the filings.

The bill will have no net fiscal impact for the State Department of Education. NDE will have reduced expenditures for state aid calculation purposes due to the elimination of rapid growth provisions when newer student information is used. Any reduction in expenses will be offset by the increased cost to reprogram state aid calculations. The Department of Revenue may have increased expenditures to process appeals of valuations. However, any increase is not projected to be significant and it is assumed that appeals can be handled with existing agency resources.

The changes in the valuation and student information used in the state aid calculation will alter the distribution of aid between school districts beginning in 1994-95. Generally, schools with valuations increasing greater than typical would lose aid and those with adjustments less than typical will gain equalization aid.

DEPARTMENT OF EDUCATION: AM 4339 - Concur with Department of Education analysis of AM4339.

DEPARTMENT OF REVENUE: AM 4339 - (4/12/94) - No fiscal impact to Department of Revenue for AM4339.