

## LB 542 FISCAL NOTE

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	FY 1995-96		FY 1996-97	
	Expenditures	Revenue	Expenditures	Revenue
GENERAL	\$0			
	or \$912,050			
CASH				
FEDERAL				
OTHER				
TOTAL	\$0			
	or \$912,050			

LB 542 relates to the calculation of state aid for school districts which receive federal impact aid. In 1990-91, impact aid was considered to be an accountable receipt for purposes of calculating state aid. Nebraska law requires these funds to be held accountable to the extent allowed by federal law. The U.S. Department of Education ruled that in 1990-91 none of the impact aid should have been held accountable. Contingent on the passage of federal legislation, the bill provides two methods to reimburse school districts for the aid that would have been received in 1990-91 if impact aid had not been held accountable.

Section 1 provides for a separate General Fund appropriation to reimburse schools who did not receive as much state aid in 1990-91 because impact aid was held accountable. The State Department of Education (NDE) indicates the amount required would be \$912,050. Section 2 provides that if a separate appropriation is not authorized then \$912,050 of the amount appropriated for state aid in 1995-96 shall be set aside and paid to the affected districts if the federal legislation is enacted. If the federal legislation is not enacted, then the funds set aside shall be held by NDE until a final determination is made. If the second alternative is used and funds are set aside from the 1995-96 state aid appropriation, then the state aid of all districts receiving equalization aid in 1995-96 will be reduced. School districts eligible for the one-time impact aid payment will have increased revenues.

Technical Note: See NDE question regarding language.

DEPARTMENT OF EDUCATION: Concur with Department of Education analysis.