

## LB 742 FISCAL NOTE

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	FY 1995-95		FY 1996-97	
	Expenditures	Revenue	Expenditures	Revenue
GENERAL	See Below		See Below	
CASH				
FEDERAL				
OTHER				
TOTAL	See Below		See Below	

LB 742 eliminates the requirement for the state to fund 90% of the allowable excess costs for Level II and Level III special education programs and 80% for Level I programs for school age children. The requirement to fund 90% of allowable costs for early childhood special education programs is also eliminated. The bill provides that beginning in 1994-95, the state reimbursement for these programs will depend upon the amount appropriated.

The bill will have a General Fund fiscal Impact In the future anytime the Legislature appropriates an amount that is greater or less than the reimbursement required by current statute. Any actual costs not reimbursed by the state will decrease revenue for school districts and increase the expenditure of local resources.

DEPARTMENT OF EDUCATION: LB 742 replaces the percentage reimbursement standard for special education costs with a reference to appropriation levels. The current General Fund appropriation for special education is \$115.4 million; the NDE request for the next biennium is \$121.3 million and \$133.6 million. The Governor's recommendation is to hold the State General Fund appropriation at the \$121.3 million level. That amount would meet the state's obligation as changed in LB 742.