

PREPARED BY: Bill Biven, Jr.  
 DATE PREPARED: February 16, 2022  
 PHONE: 402-471-0054

**LB 1212**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS	See Below		See Below	
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB1212 amends §79-1110 to change the provisions related to the Special Education Act & Individual Education Plans (IEP).

If a student moves to another school & is on an IEP for special education services, the funding being provided for the IEP will follow the student regardless if the new school is public or private.

**EXPENDITURES:**

Federal Individual with Disabilities Education Act (IDEA) funding is calculated or allocated on a per pupil method & not currently allowed to be paid to a private school. IDEA provisions do allow a portion of the funding to be used by a student enrolled by their parent(s) in a private school that resides in their home district.

By allowing Special Education & IDEA funding to possibly going to a private school, it could affect state aid & federal funding moving forward.

Current provisions do not require the Nebraska Department of Education (NDE) to monitor or oversee private school funding, LB1212 would require them to monitor & oversee the funding for the student(s) that have transferred in & are utilizing public school funding.

NDE estimates the need to add 3 additional FTE's to implement, monitor, analysis the data, & oversee the provisions of LB1212. For FY2022-23, the FTE's will have a salary/benefits expense of \$277,937; operating expenses of \$15,534; travel expenses of \$7,515; & capital outlay expenses of \$16,750. For FY2023-24, the FTE's salary/benefits expenses increase by 4.29% to \$289,867; operating expenses are \$15,126; & travel expenses are \$7,741.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB:	1212	AM:	AGENCY/POLT. SUB: Nebraska Department of Education
REVIEWED BY:	Gary Bush	DATE:	2/18/22 PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provided by the agency. Disagree with the 4% increase in salaries included in FY2023-24. Over the last several years, the agency has provided an increase between 1% and 3% for their employees..			

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

**2022**

**LB<sup>(1)</sup> 1212**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Education

Prepared by: <sup>(3)</sup> Prochazka/Rhone

Date Prepared: <sup>(4)</sup> 1/26/21

Phone: <sup>(5)</sup> 531-530-9096 / 531-207-9978

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$317,736		\$312,734	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$317,736</u>		<u>\$312,734</u>	

**Explanation of Estimate:**

With the addition of private schools receiving special education funding, there would be a significant increase in staff workloads to collect financial information from private schools. To determine funding private schools would be required to start reporting educational costs to the Department in order for NDE to calculate a pupil cost as a component of the excess cost reimbursement formula used to determine the reimbursable amount to the school. Additionally, NDE would be required to begin program and fiscal monitoring at private schools receiving reimbursements. There would also be other special education data analysis and reporting required as would be consistent with public schools requesting special education reimbursements. Last, NDE would be required to review additional final financial reports and to make additional payments.

An addition of three positions, 1 Education Specialist II and 2 Program Specialist II would be required.

As the proposed bill reads, the funds allocated to each specific student would follow the student regardless of if they were placed in a public or private school setting. According to the Individuals with Disabilities Education Act, federal dollars cannot be paid to a private school setting and are to be made available to public school entities. Additionally, IDEA special education funding is not allocated to a district on a per student method. However, the Individuals with Disabilities Education Act does require that public school districts use a portion of their federal special education funding to provide services to students enrolled by their parents in private schools within the district boundaries.

Based on these requirements NDE determined fiscal cost based only on State funds following a special education student.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
EDUCATION SPECIALIST II	1	1	\$ 55,930	\$ 58,167
PROGRAM SPECIALIST II	2	2	\$111,860	\$116,334
Benefits.....			\$110,147	\$115,366

Operating.....	<u>\$ 15,534</u>	<u>\$ 15,126</u>
Travel.....	<u>\$ 7,515</u>	<u>\$ 7,741</u>
Capital outlay.....	<u>\$ 16,750</u>	<u>\$ 0</u>
Aid.....	<u>\$ 0</u>	<u>\$ 0</u>
Capital improvements.....	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b> .....	<u><b>\$317,736</b></u>	<u><b>\$312,734</b></u>