

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

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

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

LB1240 states the intent to appropriate \$30,000,000 from federal American Rescue Plan Act funds for FY2021-22 & FY2022-23 to the Nebraska Department of Education (NDE) & carries the emergency clause.

The appropriated funds will be used to provide family-directed education recovery accounts for low-income children & families impacted by the COVID-19 public health emergency.

NDE will contract with an organization or vendor by July 1, 2022, to administer a three-year pilot program to distribute up to \$20,000,000 per school year for 2022-23, 2023-24, & 2024-25 for the purpose of providing family-directed education recovery accounts. NDE will establish the application & the application process with the selected organization or vendor. The administrative costs of the selected organization or vendor cannot exceed 10% of the amount of funding provided in a school year. Intent is also stated that the Legislature will continue the funding for family-directed education recovery accounts until FY2025-26.

Eligibility for the up to \$2,000 per child for each year of the program is based on if the child:

- Is a Nebraska resident
- Attends a public, nonpublic, or exempt school & is in grades K-12
- Has a family income that qualifies for the federal free-lunch program

Funds may be used for private school tuition, tutoring, digital-learning subscriptions, exempt school curriculum, & other eligible K-12 educational services. Funds may not be used to purchase computing devices or equipment.

By August 1 after the end of each school year of the pilot program & by August 1 one year after the pilot program has ended, NDE will collect all of the available student performance data in mathematics, science, & language arts to report the data to the Governor & the Legislature.

All administrative expenditures related to the use of federal ARPA funds will be expended through the federal fund appropriation for administrative costs to the Military Department: Agency 31, Program 191.

EXPENDITURES:

NDE will distribute up to \$20,000,000 per year to eligible children for the 2022-23, 2023-24, & 2024-25 school years for a program total of \$60,000,000. We assume for purposes of this fiscal note, the unexpended appropriation would be reappropriated for the next biennium.

The Military Department may have expenditures, which can be up to 10% of the amount of funding per year.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1240 (Revised) AM: AGENCY/POLT. SUB: Nebraska Department of Education

REVIEWED BY: Gary Bush DATE: 2/14/22 PHONE: (402) 471-4161

COMMENTS: No basis to disagree with the agency estimate of fiscal impact. FY2023-24 and FY2024-25 would have expenditures but would utilize carry-over appropriations from FY2022-23 and would not require new appropriations. The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.

Technical Note: The appropriation is provided in FY2021-22 because it will be reappropriated into FY2022-23 by section 3 of LB380(2021).

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

2022

LB⁽¹⁾ 1240 REVISED

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr/Bryce Wilson Date Prepared: ⁽⁴⁾ 2/11/22 Phone: ⁽⁵⁾ 4024193012

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>\$30,000,000</u>	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$30,000,000</u>	_____	_____	_____

Explanation of Estimate:

In addition to the \$30 million noted above for FY2022-23, LB1240 would also appropriate \$30 million for FY2021-22 to the NDE to provide family-directed education recovery accounts for low-income children and families impacted by Covid-19. The amount of funding available for any school year is limited to \$20 million per year. The NDE would be required to contract with a third-party vendor to administer the funds, with administrative costs limited to 10 percent of the amount of funding provided each year.

It is the intent of this bill that funding for family directed education recovery accounts continue through FY 2025/26.

The intent of this bill is to allocate \$30 million from the first round of State ARP funds and \$30 million from the second round of ARP ESSER funds. The first \$30 million is allocated in FY 21/22 with the intent it is carried over for use the following years with the second round allocated in FY 22/23 which will also be carried over to future years.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	<u>\$30,000,000</u>	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$30,000,000</u>	_____