

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		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.

LB1169 requires the Nebraska Department of Education (NDE) to create a loan forgiveness program for new teachers.

NDE will provide a \$5,000 grant to any teacher within the first four years of their teaching career and who's earning less than \$75,000 annually from all sources of their teaching income. \$20,000 total is the maximum amount that any new teacher may receive from the loan forgiveness program.

EXPENDITURES:

According to NDE, there were 5,960 school teachers in their first four years of teaching so their estimate for the program expenses could exceed \$29,000,000 annually. NDE would need an additional FTE to implement, monitor, & evaluate program. The FTE will have a salary & benefits expense of \$79,237, & operating expenses of \$5,010 for FY 2022-23. The salary & benefits expense increase by 3.64% to \$82,301, & operating expenses stay the same at \$5,010 for FY 2023-24.

TECHNICAL NOTES:

Further clarification is needed on the following:

Paragraph (1):

- The bill does not clarify what type of loan the new teacher must have to be qualified for the loan forgiveness grant and who the loan repayment proceeds go to – teacher or loan provider/holder
- Whether loan payments are applied to the maximum amount of the teacher's earnings is not clarified

Paragraph (2):

- Clarification is needed as to the source of the federal funds for the program

Paragraph (3):

- The maximum amount of \$20,000 for loan forgiveness suggests that a new teacher can be granted forgiveness for more than one year but there's no verbiage regarding the duration of the program.

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

2022

LB⁽¹⁾ 1169

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr/Bryce Wilson Date Prepared: ⁽⁴⁾ 1.10.22 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	Over \$29 million	_____	Over \$29 million	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	Over \$29 million	_____	Over \$29 million	_____

Explanation of Estimate:

Total fiscal impact cannot be determined at this time:

- The bill would require the NDE to create a loan forgiveness program for any new teacher, with awards of \$5,000 per person, not to exceed \$20,000 total. In the 2020-21 school year, there were 5,960 public and non-public school teachers in their first four years of teaching, meaning the total could exceed \$29 million.
- Implementing, monitoring, and evaluating the program would require the NDE to employ a new FTE.
- ARP ESSER funds must be obligated by Sept 30, 2024 so this program could run for a maximum of three years which could exceed the amount of ESSER funds allocated to NDE.
- The source of funds is listed as “federal stimulus money given directly to the State Department of Education by the Federal Government.” Funds set aside through ARP ESSER for statewide activities have already been obligated.

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>
Grant Specialist	1	1	44,769	46,559
Benefits.....			34,468	35,742
Operating.....			5,010	5,010
Travel.....				
Capital outlay.....				
Aid.....			\$29,800,000	\$29,800,000
Capital improvements.....				
TOTAL.....			\$29,884,247	\$2,9887,311