

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
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.

LB527 amends §79-1007.13 & §79-1018.01 to provide reimbursements for mental health expenditures & to change provisions relating to local system formula resources.

The Nebraska Department of Education (NDE) will reimburse each qualifying school district & educational service unit (ESU) for allowable mental health expenditures in the immediately following school year a pro rata amount based on the reimbursement percentage as determined by NDE. The reimbursement percentage will equal the ratio of the appropriations by the Legislature for reimbursements divided by the total allowable mental health expenditures for the preceding school year, except that if the ratio is greater than eighty percent, the reimbursement percentage will equal eighty percent.

EXPENDITURES:

LB527 states the intent to appropriate twelve million dollars from the General Fund for reimbursements for allowable mental health expenditures pursuant to this act for FY2024-25 & that appropriation will be increased annually by no more than ten percent.

LB527 doesn't clarify the ability to utilize the appropriated funds for operational & administrative costs. The funding that the districts receive from LB527 will be factored into their Tax Equity & Educational Opportunities Support Act (TEEOSA) calculation.

Starting in FY2024-25, NDE estimates the need for an additional FTE to implement the provisions of LB527. The FTE will have a salary/benefits expense of \$105,721, & operating expenses of \$11,143.

The Educational Service Unit Coordinating Council (ESUCC) estimates the following needs for FY2023-24:

ESU's:	Salary:	FTEs:	Total:
7 Small	\$100,000	14	\$1,400,000
5 Medium	\$100,000	30	\$3,000,000
5 Large	\$100,000	50	\$5,000,000
	Grand Total:	94	\$9,400,000

For FY2024-25, the FTE expenses listed above are increased by three percent for a grand total of \$9,682,000.

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

LB: 527 AM: AGENCY/POLT. SUB: Nebraska Department of Education

REVIEWED BY: Gary Bush DATE: 3/20/23 PHONE: (402) 471-4161

COMMENTS: Disagree with the agency estimate that an additional staff member would be required. The bill only states an intent to appropriate \$12 million for reimbursement not for administrative costs.
This funding would cause less equalization aid for equalized school districts.
Technical Note: The current appropriation language in the bill is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.

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

LB: 527 AM: AGENCY/POLT. SUB: Educational Service Unit Coordinating Council

REVIEWED BY: Gary Bush DATE: 2/8/23 PHONE: (402) 471-4161

COMMENTS: COMMENTS: Disagree with the impact shown by the ESUCC. The estimates provided are excessive and does not factor in the resources that school districts would also be bringing to the effort.

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

2023

LB⁽¹⁾ 527

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 3.15.23 Phone: ⁽⁵⁾ 4024193012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS			12,116,864	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		0	12,116,864	0

Explanation of Estimate:

LB527 provides funding to the Nebraska Department of Education to reimburse school districts and educational service units for mental health services provided. Requires each district to designate a community-based mental health resource liaison and provide appropriate training, submit allowable expenditures as provided by the agency, and defines reimbursable expenditures.

The bill intends to appropriate \$12 million from general funds beginning in the 2024-25 school year, and for those funds to increase incrementally by no more than 10 percent.

Additionally, the NDE presumes the “community-based mental health resource liaison” described in LB527 could align with behavioral health points of contact already required by public school districts under sections 79-11,159 and 79-11,160.

The NDE would require an additional staff member to properly implement the provisions within LB527.

These funds are considered accountable receipts in the TEEOSA formula.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24 EXPENDITURES</u>	<u>2024-25 EXPENDITURES</u>
	<u>23-24</u>	<u>24-25</u>		
Administrative Specialist II		1.0		65,180
Benefits.....				40,541
Operating.....				11,143
Travel.....				
Capital outlay.....				
Aid.....				12,000,000
Capital improvements.....				
TOTAL.....				12,116,864

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

2023

LB⁽¹⁾ 527

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Educational Service Unit Coordinating Council (ESUCC)

Prepared by: ⁽³⁾ Kraig J. Lofquist Date Prepared: ⁽⁴⁾ 01/20/2023 Phone: ⁽⁵⁾ 402.953.8456

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	9,400,000		9,682,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

This estimate is for Nebraska's ESUs, and is based on each ESUs idiosyncrasies (size).

- 7 Small ESUs to receive \$100,000/year for 14 FTE staff members (\$1,400,000)
- 5 Mid ESUs to receive \$100,000/year for 30 FTE staff members (\$3,000,000)
- 5 Large ESUs to receive \$100,000/year for 50 FTE staff members (\$5,000,000)

Total salary and benefits equal \$9,400,000 for the 2023-24 year and 9,682,000 for the 2024-25 school year, which includes a 3% cost increase." **Benefits & mileage reimbursement is included in the above figures."**

Travel-\$100,000 year one (see below), and \$103,000 for year two.

The breakdown below includes the cost of "benefits" which **ARE included in the overall expenditures listed above.**

LMHP/LMIHP or Licensed Psychologist

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	1,200,000	1,236,000	1,200,000	1,236,000
Operating.....				
Travel.....			100,000	103,000
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			1,300,000	1,339,000