PREPARED BY: DATE PREPARED: PHONE: Bill Biven, Jr. February 08, 2024 402-471-0054

LB 986

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)									
	FY 2024-25 FY 2025-26								
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE						
GENERAL FUNDS	\$5,147,195	\$534,000	\$5,000,000	\$470,000					
CASH FUNDS									
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS	\$5,147,195	\$534,000	\$5,000,000	\$470,000					

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

LB986 amends several sections of the Teach in Nebraska Today Act.

Prior to the effective date of this act, the Teach in Nebraska Today Act is a student loan repayment assistance program & the amount available for assistance is updated from \$5,000,000 annually to \$5,000,000 total.

Beginning on the effective date of the act, the Teach in Nebraska Today Act is amended to allow the amount of grants awarded each year to be up to \$10,000,000.

Section 5 of the bill creates a grant under the program of up to \$5,000 a year for five years for teachers who are residents of Nebraska, are teaching full-time at the time of the application, have taught in Nebraska for five years or less, and have income less than \$55,000 per year.

EXPENDITURES:

The Nebraska Department of Education (NDE) estimates the need for 0.5 of an FTE to address the updates & make changes to the program. For FY2024-25, the FTE will have a salary/benefits expense of \$62,994; & operating expenses of \$16,988.

NDE estimates administrative expenses would be cash fund expenditures. However, the appropriation for the Teach in Nebraska Today Act (LB 1212, 2022) is General Funds for grant payments and administrative costs. As such we estimate the FTE expense in FY24-25 will be from the General Fund.

Additionally, the bill increases total grant amounts per year from \$5 million to \$10 million. For reference, about \$3.375 million has been expended for grants in FY23-24 to date. The appropriation for this program for this biennium enacted in the biennial budget bill LB 814 (2023), is \$5 million per fiscal year from the General Fund for grants. Authorizing annual grant awards to be up to \$10 million requires an additional appropriation of \$5 million General Funds per fiscal year. The bill contains the emergency clause, and as such would also apply to grants awarded in FY23-24. It is reasonable to assume grant awards will be maximized due to grant eligibility categories under the bill, and as such, we estimate a need for an additional \$1.25 million for 23-24 and \$5 million for FY24-25.

To the extent NDE indicates funds from a prior year could be utilized for grants, it is important to note that there is no reappropriation of unexpended grant funds from FY22-23 in the enacted biennial budget, and therefore no remaining funds from the previous biennium to be utilized.

The Nebraska Department of Revenue estimates expenses of \$67,213 for FY2024-25 for a one-time programming charge paid to the OCIO for mainframe development & removing a line from 1040N & NebFile.

	ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB:	986	AM:	AGENCY/POLT. SU	B: Nebraska Dep	partment of Education		
RE\	VIEWED BY:	Gary Bush	DATE:	2/9//24	PHONE: (402) 471-4161		
	COMMENTS: The need for a developer to make changes to their program appears to be reasonable. However, I disagree that a developer would be need in FY2025-26.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB:	986	AM:	AGENCY/POLT. SUB	Nebraska P	ublic Employees Retirement System		
RE\	/IEWED BY:	Gary Bush	DATE:	1/17/24	PHONE: (402) 471-4161		
COI	COMMENTS: Agree with the agency estimate of no fiscal impact.						

	ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB:	986	AM:	AGENCY/POLT. SU	JB: Nebraska	a Department of Revenue		
RE\	/IEWED BY:	Gary Bush	DATE:	2/8/24	PHONE: (402) 471-4161		
	COMMENTS: Agree with the agency of a one-time cost for mainframe development. The estimated impact to General Fund revenues appears to be reasonable given the assumptions used.						

LB (1)	986					FISCAL NOTE
State Age	ency OR P	Political Subdivision Name: (2)	Education			
Prepared	d by: (3)	Lane Carr	Date Prepared: (4)	2.7.24	Phone: (5)	402.419.3012
		ESTIMATE PROVID	DED BY STATE AGEN	CY OR POLITICAL	SUBDIVIS	ION
		FY	2024-25		FY 2028	5-26
		EXPENDITURES	REVENUE	EXPENDITU	RES	REVENUE
GENER	AL FUN	DS				
CASH F	UNDS	\$81,274		\$80,358		
FEDERA	AL FUNI	os		_		
OTHER	FUNDS			_		
TOTAL	FUNDS	\$81,274		\$80,358		
	0.77					

Explanation of Estimate:

LB986 makes revisions to the Teach in Nebraska Today Act. The bill extends the maximum amount to be awarded per fiscal year to \$10 million allowing for any unused funds from the previous year to be carried over, and makes changes to eligibility. To address the updates and make changes to the program, the NDE would require an application developer.

<u>BREAKD</u>	OWN BY MAJ	OR OBJECTS OF	EXPENDITURE	
Personal Services:				_
POSITION TITLE	NUMBER OI <u>24-25</u>	F POSITIONS <u>25-26</u>	2024-25 EXPENDITURES	2025-26 EXPENDITURES
IT Applications Developer Senior	.5		41,131	43,188
Benefits			21,863	22,599
Operating			16,988	13,071
Travel			1,292	1,500
Capital outlay				
Aid				
Capital improvements				
TOTAL			\$81,274	\$80,358

LB ⁽¹⁾ 986					FISCAL NOTE
State Agency OR Political Sub	division Name: (2)	Nebraska Public E	Employees Retire	ment Syst	em
Prepared by: (3) Teresa Z	ulauf	Date Prepared: (4)	1-16-24	Phone: (5)	402-471-7745
ES'	<u> TIMATE PROVI</u>	DED BY STATE AGEN	NCY OR POLITICAL	L SUBDIVIS	ION
	EV	2024-2 <u>5</u>		FY 2025	oe.
<u>E</u>	XPENDITURES	REVENUE	EXPENDITU		REVENUE
GENERAL FUNDS					
CASH FUNDS	0		0		
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	0		0		
repayment assistance. Lamount limitations. No fiscal impact to NPER	RS Agency 085	·	res.		
Personal Services:				<u>KE</u>	
POSITION TITL		UMBER OF POSITION <u>24-25</u> <u>25-26</u>	S 2024-25 <u>EXPENDITI</u>		2025-26 EXPENDITURES
Benefits			_		
Operating					
Travel			-		
Capital outlay					
Aid					
Capital improvements					
TOTAL					

LB 986 Fiscal Note 2024

State Agency Estimate							
State Agency Name: Department o	f Revenue				Date Due LFO:		
Approved by: James R. Kamm		Date Prepared:	02/07/2024		Phone: 471-5896		
	FY 2024	<u>-2025</u>	FY 2025	-2026	FY 2026	5-2027	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	\$ 67,213	\$ 534,000		\$ 470,000		\$ 405,000	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	\$ 67,213	\$ 534,000		\$ 470,000		\$ 405,000	

LB 986 will end the loan repayment assistance program under the Teach in Nebraska Today Act and will create a grant program beginning with the effective date of the bill. The grant program is available to individuals who:

- a) Are residents of Nebraska;
- b) Teach full-time or have a contract to teach full-time at the time of the application;
- c) Taught in Nebraska five years or less at the time of the application or renewal; and
- d) Have an individual income less than \$55,000 per year.

The grant awarded is limited to \$5,000 per year and may be awarded to an applicant for up to five years. Applications will be submitted to the Department of Education no later than July 10, 2024, and no later than July 10 each year thereafter. Application approvals or denials must be made no later than October 10, 2024, and no later than October 10 of each year thereafter. Grants awarded under the program must be paid directly to the applicant no later than December 10, 2024, and no later than December 10 of each year thereafter.

The total amount of grants awarded must not exceed \$10 million in any fiscal year.

The bill contains an emergency clause and becomes law upon enactment.

It is estimated that this bill will have the following impacts on General Fund revenues.

Fiscal Year	General Fund
riscai i eai	Revenues
FY 2024-25	\$534,000
FY 2025-26	\$470,000
FY 2026-27	\$405,000
FY 2027-28	\$349,000

LB 986 will require a one-time programming charge of \$67,213 paid to the OCIO for mainframe development and removing a line from 1040N and NebFile.

Major Objects of Expenditure								
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures	
Benefits								
					\$ 67,213			
Travel								
Capital Outlay								
	S							
Total					\$ 67,213			