

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. SUB: Nebraska Department of Education
REVIEWED 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 Public Employees Retirement System
REVIEWED BY:	Gary Bush	DATE:	1/17/24 PHONE: (402) 471-4161
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. SUB: Nebraska Department of Revenue
REVIEWED 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.			

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

2024

LB⁽¹⁾ 986

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 2.7.24 Phone: ⁽⁵⁾ 402.419.3012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$81,274		\$80,358	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$81,274		\$80,358	

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.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
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

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

2024

LB⁽¹⁾ 986

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Employees Retirement System

Prepared by: ⁽³⁾ Teresa Zulauf Date Prepared: ⁽⁴⁾ 1-16-24 Phone: ⁽⁵⁾ 402-471-7745

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>0</u>	_____	<u>0</u>	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	_____	<u>0</u>	_____

Explanation of Estimate:

LB 986 is a bill relating to the Teach in Nebraska Today Act. This bill terminates provisions relating to loan repayment assistance. LB 986 will provide grants to teachers under the act and to increase the program amount limitations.

No fiscal impact to NPERS Agency 085 operations expenditures.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

