PREPARED BY: DATE PREPARED: PHONE: Bill Biven, Jr. February 06, 2025 402-471-0054

LB 408

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 202	25-26	FY 20	26-27		
	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.

LB408 creates & adopts the Special Education Forgivable Loan Program Act.

The Special Education Forgivable Loan Program will be administered by the Nebraska Department of Education (NDE).

NDE can award a forgivable loan to an eligible student to pay for in-state tuition, or the equivalent of in-state tuition at any eligible postsecondary institution. The awards will assist up to twenty-five individuals each academic year & those individuals commit to teaching in Nebraska for five years following their certification as a teacher with a special education endorsement.

FISCAL IMPACT:

Depending on the institution that the applicants attended, it is estimated that the range of the aid per institution would be between \$144,000 & \$250,000 for each year. Up to twenty-five applicants would be eligible per institution, and as such, the total fiscal impact could exceed NDE's estimate.

NDE estimates the for an additional FTE to create, monitor, track, & confirm compliance of the act. For FY2025-26, the FTE has a salary/benefits expense of \$105,173; & operating expenses of \$19,426. For FY2026-27, the FTE has a salary/benefits expense of \$113,113; & operating expenses of \$18,370.

NDE estimates the for an additional FTE to create the application system to comply with the act. For FY2025-26, the FTE has a salary/benefits expense of \$139,986; & operating expenses of \$25,857.

ADMINISTR	RATIVE SERVICES	STATE BUDGET DIVISION: RE	VIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 408	AM:	AGENCY/POLT. SUB: Dep	artment of Revenue
REVIEWED BY:	Kimberly Burns	DATE: 02/07/2025	PHONE: (402) 471-4171
COMMENTS: T	he Department of R	evenue's estimate of fiscal impa	ct from LB 408 appears reasonable.

ADMINISTR	ATIVE SERVICES	STATE BUDGET DIVISION: RE	EVIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 408	AM:	AGENCY/POLT. SUB: Dep	artment of Education
REVIEWED BY:	Kimberly Burns	DATE: 02/06/2025	PHONE: (402) 471-4171
COMMENTS: Di understated.	sagree with the De	partment of Education's total im	pact assessment for LB 408, which appears to be

TECHNICAL NOTE: LB 408 states "the department may award up to twenty-five forgivable loans each academic year for *each eligible institution*." The fiscal note from the Department of Education provides the maximum impact for a total of 25 forgivable loans in total instead of 25 per eligible institution.

ADMINIS	STRATIVE SERVICES	STATE BUDGET DIVISION: RE	VIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 408	AM:	AGENCY/POLT. SUB: Nebr	aska State College System
REVIEWED E	BY: Kimberly Burns	DATE: 01/25/2025	PHONE: (402) 471-4171
COMMENTS	: Concur with the Nebr	aska State College System's as	sessment of no fiscal impact from LB 408.

ADMINISTR	ATIVE SERVICES	STATE BUDGET DIVISION: RI	EVIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 408	AM:	AGENCY/POLT. SUB: Coord	inating Commission for Postsecondary Education
REVIEWED BY:	Kimberly Burns	DATE: 02/06/2025	PHONE: (402) 471-4171
COMMENTS: Ag	•	dinating Commission for Postsec	ondary Education's assessment of no fiscal impact

LB ⁽¹⁾ 408				FISCAL NOTE
State Agency OR Political	Subdivision Name: (2)	Education		
Prepared by: (3) Lane	Carr	_ Date Prepared: (4)	2.4.28 Phone	e: (5) 402.419.3012
F	ESTIMATE PROVIDE	ED BY STATE AGEN	CY OR POLITICAL SUBD	IVISION
	FY 20	<u>25-26</u>	FY 20	026-27
	EXPENDITURES	<u>REVENUE</u>	EXPENDITURES	<u>REVENUE</u>
GENERAL FUNDS	540,442		381,483	·
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	540,442		381,483	
			_	

Explanation of Estimate:

LB408 establishes the Special Education Teacher Forgivable Loan Program to be administered by the NDE. Per the bill, the NDE could provide up to 25 forgivable loans to those entering and staying in the field of special education. To create the application, track applicants and compliance, and manage the system the NDE would need two additional staff in the first year, and one ongoing.

The estimated cost of tuition per year at the University of Nebraska is \$10,000. The cost for the state college system is \$5,760 per year. While the bill notes forgivable loans would apply only to any portion not covered by financial aid or scholarships, the potential maximum fiscal impact could range from \$144,000 to \$250,000 per year.

BREAKD	OWN BY MAJO	OR OBJECTS OF	EXPENDITURE	
Personal Services:				
	NUMBER OF	POSITIONS	2025-26	2026-27
POSITION TITLE	<u>25-26</u>	<u>26-27</u>	EXPENDITURES	EXPENDITURES
Program Specialist II	1	1	66,197	68,348
IT Applications Developer Senior	1		88,108	
Benefits			90,854	44,765
Operating	•••		45,283	18,370
Travel	· • • •			
Capital outlay				
Aid			250,000	250,000
Capital improvements	••••			
TOTAL	••••		540,442	381,483

LB 0408 Fiscal Note 2025

		State Agency	Estimate			
State Agency Name: Department of	of Revenue				Date Due LFO:	
Approved by: James R. Kamm		Date Prepared:	02/06/2025		Phone: 471-5896	
	FY 2025	5-2026	FY 2026	5-2027	FY 2027	7-2028
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$0		\$0		\$20,000
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$0		\$0		\$20,000

LB 408 creates the Special Education Forgivable Loan Act (Act). The Act will be administered by the State Department of Education (DOE).

Under the Act an eligible student seeking initial certification as a teacher with an endorsement in special education may receive an award for a forgivable loan from DOE to pay for instate tuition or an equivalent of instate tuition at any eligible institution. DOE may award up to 25 forgivable loans each academic year for each eligible institution. Eligible institution is defined as a not-for-profit college or university located in Nebraska that has a special education teacher program and is accredited by an accrediting agency recognized by the U.S. Department of Education and determined to be acceptable by the State Board of Education.

A student receiving an award must enter a contract with DOE before DOE disperses any money for the loan.

A student may only receive a loan for the first five years they are enrolled in a teacher education program. The student must teach special education in Nebraska for five consecutive years after graduation or the number of years loans were taken.

Each year after graduating, students that received an award for five years will receive loan forgiveness equal to 20% of the total amount of forgivable loans paid to the student. For students with less than five years of forgivable loans, for each year after graduating the forgiveness is equal to one year's worth of the forgivable loans paid. To receive the loan forgiveness, the student must comply with the contract.

A student that fails to comply with the contract must repay the remaining balance of any remaining forgivable loan with 5% interest, unless a deferment is received. Any repayment is credited to the General Fund.

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

Major Objects of Expenditure							
Class Code	Classification Title	25-26 <u>FTE</u>	26-27 <u>FTE</u>	27-28 <u>FTE</u>	25-26 Expenditures	26-27 Expenditures	27-28 Expenditures
Benefits							
Operating Costs							
Travel							
	S						
Total							

	General Fund revenues
FY 25-26	\$0
FY 26-27	\$0
FY 27-28	\$20,000
FY 28-29	\$62,000

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

The operative date for this bill is three months after the adjournment of the Legislature.

LB (1) 0408 Adopt the Special Education Teacher Forgivable Loan Program Act

FISCAL NOTE

0.00

0.00

State Agency OR Political	Subdivision Name: (2)	University of Nebrasi	ka System			
Prepared by: ⁽³⁾ Anne B	arnes	Date Prepared: ⁽⁴⁾	01/27/2025	Phone: ⁽⁵⁾	(402) 559-6300	
	ESTIMATE PROV	/IDED BY STATE AG	ENCY OR POLITICA	AL SUBDIVISION		
	FY	′ 2025 - 26		FY 2026 -	27	
OENEDAL FUNDO	EXPENDITURES	<u>REVENUE</u>	<u>EXPENDI</u>	<u>rures</u>	<u>REVENUE</u>	
GENERAL FUNDS	0.00	0.00	0	0.00	0.00	
CASH FUNDS	0.00	0.00	0) OO	0.00	
	0.00	0.00		7.00	<u> </u>	
FEDERAL FUNDS	0.00	0.00	0	0.00	0.00	
OTHER FUNDS	0.00	0.00	0	0.00	0.00	

0.00

0.00

0.00

0.00

TOTAL FUNDS Explanation of Estimate:

No Fiscal Impact as the program is administrated and funded by the State.

0.00

0.00

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

POSITION TITLE	NUMBER OF <u>25 - 26</u>	F POSITIONS <u>26 - 27</u>	2025 - 26 EXPENDITURES	2026 - 27 EXPENDITURES
	0	0		
<u> </u>	0	0		
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

LB ⁽¹⁾ 408						FISCAL NOTE	
State Agency OR I	Coordinating Commission for Postsecondary Education						
Prepared by: (3)	Gary Timm	Date	Prepared: (4)	1/21/2025	Phone: (5)	402.471.0020	
	ESTIMATE PROV	IDED BY	STATE AGEN	CY OR POLITIC	CAL SUBDIVIS	SION	
	FY	2025-26		FY 2026-27			
	EXPENDITURES	<u>S</u>	<u>REVENUE</u>	EXPENDI	TURES	<u>REVENUE</u>	
GENERAL FUN	DS						
CASH FUNDS							
FEDERAL FUNI	DS						
OTHER FUNDS							
TOTAL FUNDS	0	- <u>-</u>	0	0		0	
Explanation of E	stimate:						
No fiscal impac	il.						
Personal Services		VN BY MA	AJOR OBJECT	S OF EXPENDIT	<u>rure</u>		
i ersonar services	UMBER OF POSITIONS 2025-26				2026-27		
POSITION TITLE		<u>25-26</u>	<u>26-27</u>	<u>EXPENDI</u>		EXPENDITURES	
Benefits							
Operating							
Capital improver	nents						
TOTAL				0		0	

LB ⁽¹⁾ 408						FISCAL NOTE			
State Agency OR Political Subdivision Name: (2)			Nebraska State College System						
Prepared by: (3)	Brenda Owen	Da	te Prepared: ⁽⁴⁾	1-21-2025	Phone: (5)	471-2507			
	ESTIMATE PRO	VIDED B	Y STATE AGEN	NCY OR POLITICA	AL SUBDIVIS	ION			
	<u>FY</u> <u>EXPENDITURES</u>		<u>6</u> <u>REVENUE</u>	EXPENDIT	<u>FY 2026</u> <u>URES</u>	<u>-27</u> <u>REVENUE</u>			
GENERAL FUN	DS			_					
CASH FUNDS		_							
FEDERAL FUN	DS								
OTHER FUNDS	<u></u>								
TOTAL FUNDS									
Explanation of E	`stimate·	_ =							
-									
No fiscal impac	ct								
Personal Service		WN BY N	MAJOR OBJECT	S OF EXPENDIT	<u>JRE</u>				
			UMBER OF POSITIONS 2025-20			2026-27			
POSITION TITLE		<u>25-26</u>	<u>26-27</u>	EXPENDIT		EXPENDITURES			
				_					
Benefits									
Operating									
Travel									
Capital outlay									
Aid									
Capital improve	ments								
TOTAL									