

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$279,391		\$279,498	
CASH FUNDS	\$2,000		\$5,000	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$281,391</b>		<b>\$284,498</b>	

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

LB440 creates the Education Leave & Support Act, the State Education Leave Fund & the Education Retention Fund.

Beginning January 1, 2026, a payroll fee of thirty-five hundredths of one percent will be levied on the taxable wages of certificated teachers employed by a Nebraska school district. Districts will collect the fee from covered employees & remit it quarterly to the State Treasurer's office. Districts will also contribute an amount equal to the total payroll fee collected from their certificated teachers as an employer match & remit this contribution quarterly to the State Treasurer. All fees & contributions collected will be credited to the State Education Leave Fund.

The State Education Leave Fund will be administered by the Nebraska Department of Education (NDE) & will be used solely to reimburse school districts for the cost of hiring substitute teachers for the first six weeks of a covered employee's FMLA leave.

NDE will submit an annual report to the Legislature detailing the fund's expenditures, utilization rates, & remaining balance.

If the State Education Leave Fund accrues a surplus exceeding twenty percent or more of its projected annual needs, NDE will notify the State Treasurer, & the State Treasurer will transfer the excess funds to the Education Retention Fund. Funds transferred will be used to address teacher shortages & support professional development.

The State Education Leave Fund will be subject to an annual audit by the Auditor of Public Accounts (APA).

**FISCAL IMPACT:**

The APA estimates the costs to perform the audits at \$2,000 for FY2025-26 & \$5,000 for FY2026-27.

NDE estimates the need for two additional FTEs to develop a system to collect, make payments & manage the Education Leave funds in addition to a staff member to administrate the program. For FY2025-26, the FTEs have a salary/benefits expense of \$237,763; operating expenses of \$34,824; & travel expenses of \$6,801. For FY2026-27, the FTEs have a salary/benefits expense of \$245,539; operating expenses of \$26,953; & travel expenses of \$7,006.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
<b>LB: 440</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Department of Education</b>	
<b>REVIEWED BY:</b> Kimberly Burns	<b>DATE:</b> 03/06/2025	<b>PHONE:</b> (402) 471-4171	
<b>COMMENTS:</b> No basis to disagree with the Department of Education's estimate of fiscal impact from LB 440.			

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

LB: **440** AM: AGENCY/POLT. SUB: **State Treasurer**

REVIEWED BY: Kimberly Burns DATE: 02/13/2025 PHONE: (402) 471-4171

COMMENTS: Agree with the State Treasurer's assessment of no fiscal impact resulting from LB 440.

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

LB: **440** AM: AGENCY/POLT. SUB: **Nebraska Auditor of Public Accounts**

REVIEWED BY: Kimberly Burns DATE: 01/30/2025 PHONE: (402) 471-4171

COMMENTS: The Nebraska Auditor of Public Accounts' estimate of fiscal impact from LB 440 appears reasonable based on the assumptions provided.

TECHNICAL NOTE: Based on the fiscal note explanation, it appears the expenses should be categorized as Operating Expenses, and the agency would not require additional FTE or PSL.

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

**2025**

**LB<sup>(1)</sup> 440**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> January 29, 2025 Phone: <sup>(5)</sup> 402-471-2793

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

The State Treasurer's Office doesn't expect any fiscal impact from LB 440 to the office.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

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

**2025**

**LB<sup>(1)</sup> 440**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Auditor of Public Accounts

Prepared by: <sup>(3)</sup> Craig Kubicek Date Prepared: <sup>(4)</sup> 1/23/2025 Phone: <sup>(5)</sup> 402-326-3063

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$0		\$0	
CASH FUNDS	\$2,000	\$2,000	\$5,000	\$5,000
FEDERAL FUNDS	\$0		\$0	
OTHER FUNDS	\$0		\$0	
<b>TOTAL FUNDS</b>	<b>\$0</b>		<b>\$0</b>	

**Explanation of Estimate:**

LB440 would require the APA to perform an annual audit of the State Education Leave Fund. The APA anticipates limited revenues to the fund in fiscal year 2026. This would be an annual cost to the State Education Leave Fund. The APA would only bill for actual hours.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Audit Manager	<.01	<.01	200	600
Auditor	.03	.03	1,700	4,100
Benefits.....			100	300
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>2,000</b>	<b>5,000</b>

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

**2025**

**LB<sup>(1)</sup> 440**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Education

Prepared by: <sup>(3)</sup> Lane Carr/Bryce Wilson Date Prepared: <sup>(4)</sup> 3.3.25 Phone: <sup>(5)</sup> 402.419.3012

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>279,391</u>	<u>                    </u>	<u>282,128</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<b><u>279,391</u></b>	<b><u>                    </u></b>	<b><u>282,128</u></b>	<b><u>                    </u></b>

**Explanation of Estimate:**

LB 440 does the following:

- The Education Leave and Support Act would collect a payroll fee of 35/100 of 1% of all taxable wages of covered employees, and create the Education Leave Fund created and administered by the State Treasurer.
- The fund would be solely used to reimburse districts for cost of hiring substitutes hired to fill in for staff in maternity leave for up to six weeks.
- Also creates the Education Retention Fund to be administered by the NDE for “addressing teacher shortage and support professional development if excess funds are collected through the new payroll fee.

NDE would need to develop a system to collect, make payments and manage the Education Leave funds in addition to a staff member to administrate the program.

There would also be cost to school districts to collect and send in the new payroll fee and claim reimbursement for teachers on FMLA leave.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Program Specialist II	<u>1.0</u>	<u>1.0</u>	<u>68,867</u>	<u>72,310</u>
IT Applications Developer Senior	<u>1.0</u>	<u>1.0</u>	<u>81,394</u>	<u>85,464</u>
Benefits.....			<u>87,502</u>	<u>90,395</u>
Operating.....			<u>34,827</u>	<u>26,953</u>
Travel.....			<u>6,801</u>	<u>7,006</u>
Capital outlay.....			<u>                    </u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<b><u>279,391</u></b>	<b><u>282,128</u></b>