

PREPARED BY: Bill Biven, Jr.
 DATE PREPARED: March 07, 2025
 PHONE: 402-471-0054

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW

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

LB523 creates the Student Teacher Compensation Act & becomes operative on July 1, 2025.

The Nebraska Department of Education (NDE) will develop a stipend program to provide financial compensation to student teachers. NDE will provide a stipend of four thousand dollars per student-teaching semester to any student teacher that applies for the stipend.

NDE will electronically submit an annual report to the Clerk of the Legislature & the Governor detailing the implementation of the Student Teacher Compensation Act. The report will be available to the public & posted on NDE's website.

Since an emergency exists, this bill takes effect when passed & approved according to law.

FISCAL IMPACT:

There is intent to appropriate funds annually to NDE to provide stipends to student teachers pursuant to the Student Teacher Compensation Act. NDE can also seek additional funding through grants, private donations, or federal programs.

NDE estimates there are 1,300 student teachers annually but not all are facing financial hardship so not all of them will qualify for the stipend. The maximum amount for the student teachers, if all qualified for the stipend, would be \$5,200,000. NDE also estimates the need for an additional FTE to administer the program. For FY2025-26, the FTE has salary/benefits expenses of \$93,946; operating expense of \$21,567; & travel expenses of \$1,354. For FY2026-27, the FTE has salary/benefits expenses of \$96,733; operating expense of \$17,297; & travel expenses of \$1,385.

The Nebraska Department of Revenue (DOR) estimates that there will be a minimal increase to General Fund revenues due to the increased income of the student teachers who received the stipend.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 523	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Kimberly Burns	DATE: 03/07/2025	PHONE: (402) 471-4171	
COMMENTS: The Department of Education's assessment of fiscal impact from LB 523 assumes the maximum impact possible and is likely overstated.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 523	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Kimberly Burns	DATE: 03/07/2025	PHONE: (402) 471-4171	
COMMENTS: The Department of Revenue's assessment of fiscal impact to General Fund revenues from LB 523 appears reasonable.			

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

LB: **523** AM: AGENCY/POLT. SUB: **Nebraska Public Employees Retirement Systems**

REVIEWED BY: Kimberly Burns DATE: 02/03/2025 PHONE: (402) 471-4171

COMMENTS: The Nebraska Public Employees Retirement Systems' assessment of no fiscal impact to the agency from LB 523 appears reasonable.

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

2025

LB⁽¹⁾ 523

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 3.4.25 Phone: ⁽⁵⁾ 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>\$5,316,867</u>	<u> </u>	<u>\$5,315,425</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>
TOTAL FUNDS	<u><u>\$5,316,867</u></u>	<u> </u>	<u><u>\$5,315,415</u></u>	<u> </u>

Explanation of Estimate:

Creates the Student Teacher Compensation Act and provides \$4000 to student teachers who apply. The NDE estimates around 1,300 student complete programs in Nebraska educator preparation programs each year, not all of whom would qualify for financial hardship as determined by the board. At a maximum, the total for all student teachers would be \$5,200,000.

Additionally, the NDE would need a staff member to administer the program.

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>
<u>Program Specialist I</u>	<u>1</u>	<u>1</u>	<u>52,584</u>	<u>54,293</u>
<u>Benefits.....</u>			<u>41,362</u>	<u>42,440</u>
<u>Operating.....</u>			<u>21,567</u>	<u>17,297</u>
<u>Travel.....</u>			<u>1,354</u>	<u>1,385</u>
<u>Capital outlay.....</u>				
<u>Aid.....</u>			<u>5,200,000</u>	<u>5,200,000</u>
<u>Capital improvements.....</u>				
TOTAL.....			<u><u>\$5,316,867</u></u>	<u><u>\$5,315,415</u></u>

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

2025

LB⁽¹⁾ 523

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Employees Retirement Systems (NPERS)-085

Prepared by: ⁽³⁾ Teresa Zulauf Date Prepared: ⁽⁴⁾ 1/28/25 Phone: ⁽⁵⁾ 402-471-7745

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 523 – Adopt Student Teacher Compensation Act.

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

