

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to reflect the adoption of AM2041

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

AM2041 amends AM1701 to include the parent, guardian, or educational decision maker when the student is given oral or written notice of the charges against him or her. The notice will now include the student's version of the events leading to the alleged conduct or violation that the principal has determined necessitates a short-term suspension & any evidence to support the student's version of the event(s).

If a conference with the parent or guardian has not been held, a parent, guardian, or educational decision maker can submit a written request to the school for a conference with the principal relating to the suspension of their student.

AM1701 is adopted into AM995 and strikes the original versions of LB653 & AM995.

Any option school district that is not a member of a learning community will now automatically accept applications for siblings of option students enrolled in the option school district without regard to capacity limitations.

Any option school district that is in a learning community will automatically accept applications for siblings of option students enrolled in the option school district without regard to capacity limitations, then give first priority for enrollment to students who have previously been enrolled in the option school district as an open enrollment student, second priority for enrollment to students who reside in the learning community & who contribute to the socioeconomic diversity of enrollment at the school building to which the student will be assigned.

AM1701 also requires schools to communicate & send a written statement to the student & their parent or guardian describing:

- the actions made by the school to try to discontinue or alleviate the behavior of the student prior to considering suspension
- resources the school is able to provide or recommend to assist the student
- how the school plans to handle such behavior in the future, including an actionable plan aimed at maximizing strategies to keep the student in school

An additional exception has been added for an elementary school may suspend a student in pre-kindergarten through second grade if that student engages in violent behavior capable of causing physical harm to another student or school employee.

LB653 amends several sections to change the provisions relating to:

- applications, capacity, & reports
- provide for reimbursement for certain students under the enrollment option program
- change authorized uses of the Education Future Fund (EFF)
- change provisions relating to reimbursement for special education programs & support services

Regardless of capacity for special education services, the number of applications made by students with an individualized education program (IEP) under the federal Individuals with Disabilities Education Act, 20 U.S.C. 1400 et seq., which are denied by that school district, cannot exceed sixteen percent of the total enrollment option applications denied by that school district during that school year.

For a school district that accepts enrollment option applications on a school building by school building basis that receives an application for a school building that is at capacity for purposes of their enrollment option program will notify the parent or guardian that submitted the application that there are other school buildings in that same district that are not at capacity & are available to the student for purposes of the enrollment option program.

Any option school district that is not a member of a learning community will automatically accept as an option student, the siblings of the option students that apply to that same school district. Any option school district that is in a learning community will give first priority for enrollment to, & automatically accept regardless of capacity, siblings of the option students enrolled in the option school district.

A district that receives an incomplete application will notify the applicant within ten business days after receipt of the incomplete application that the application is incomplete & will be automatically rejected if not corrected.

Beginning July 1, 2024, & on or before July 1 of each year thereafter, each district will provide to the Nebraska Department of Education (NDE) information prescribed by the Commissioner of Education relating to applications that are rejected by the option school district & all applications related to students with an IEP.

On or before October 15 of each school year, a district that accepts an application for an option student with an IEP under the federal Individuals with Disabilities Education Act, 20 U.S.C. 1400 et seq., with expected costs for education & support services of that student that are at least five times greater than the adjusted average per pupil cost of the preceding year, may apply to NDE for a payment from the Education Future Fund to cover those expenses. The application will include detailed expected costs for providing education & support services to that student.

For each district that received a payment pursuant to §79-246 in the school year for which the special education expenditures were reimbursed, an amount equal to the payment made will be subtracted from the reimbursement calculated & that amount will be transferred into the EFF.

FISCAL IMPACT:

No Fiscal Impact to the State at this time but enrollment option is a factor in the calculation of the Tax Equity & Educational Opportunities Support Act (TEEOSA) & those changes cannot be determined at this time.

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

2026

LB⁽¹⁾ 653 AM 1701 AM995 AM 2041

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: ⁽⁴⁾ 2/17/26

Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 653 AM 1701 AM 995 requires siblings of option students to be automatically accepted when applying for the enrollment option program.

Additionally, this bill requires schools to communicate additional information to students and their parents when they are suspended that includes the following:

- The actions made by the school to try to discontinue or alleviate the behavior of the student prior to considering suspension.
- Resources the school is able to provide or recommend to assist the student
- How the school plans to handle such behavior in the future, including an actionable plan aimed at maximizing strategies to keep the student in school.

Last, this bill adds engaging in violent behavior capable of causing physical harm to another student or staff as an additional reason an elementary student in pre-kindergarten through second grade can be suspended

No fiscal cost to NDE. Fiscal cost to school districts cannot be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 EXPENDITURES	2027-28 EXPENDITURES
	26-27	27-28		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				

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**Capital
improvements**.....
TOTAL.....

_____	_____
_____	_____
_____	_____
_____	_____

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

LB: **653** AM: **995, 1701, 2041** AGENCY/POLT. SUB: **Nebraska Department of Education**

REVIEWED BY: Kimberly Burns DATE: 02/18/2026 PHONE: (402) 471-4171

COMMENTS: Concur with the Nebraska Department of Education's assessment of no fiscal impact to the agency and indeterminate impact to the school districts from LB 653.