

PREPARED BY: Bill Biven, Jr.  
 DATE PREPARED: January 14, 2022  
 PHONE: 402-471-0054

**LB 696**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		See Below		
CASH FUNDS				
FEDERAL FUNDS	See Below			
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.**

LB696 creates a program through the Nebraska Department of Education (NDE) for FY2022-23, to provide grants using Federal Funds allocated from the Federal Coronavirus State Fiscal Recovery Fund, for the purpose of retention payments to public elementary & secondary school employees excluding school administrators, in order to decrease the number of job openings due to the COVID-19 public health emergency.

**EXPENDITURES:**

The Federal Funds being appropriated for these grants has yet to be determined.

Taxable income will increase due to the increase in the employee’s salary. A school district’s state aid could be affected by these payments due to employee salaries being a factor in the Nebraska Tax Equity & Educational Opportunities Support Act (TEEOSA) formula. Amounts for these issues cannot be determined as this time.

NDE estimates the need to add an additional FTE to develop, implement & oversee the program. The new FTE creates operating expenses of \$84,247.

The Nebraska Department of Revenue estimates minimal costs to meet the provisions of this bill & those costs can be absorbed by the agency.

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

LB: 696 AM: AGENCY/POLT. SUB: Nebraska Department of Education  
 REVIEWED BY: Gary Bush DATE: 1/14/22 PHONE: (402) 471-4161

COMMENTS: Agree with the agency that a position would be required to setup and administer a one-year program in FY 2022-23. The bill does not define how much will be provided from ARPA funds. The language in the bill does not make a valid appropriation and could not be implemented as written.  
 The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.

CONTINUED

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

LB: 696 AM: AGENCY/POLT. SUB: Nebraska Department of Revenue

REVIEWED BY: Gary Bush DATE: 2/24/22 PHONE: (402) 471-4161

COMMENTS: Agree with the agency on the estimate of fiscal impact.

The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.

**Technical Note:** The language in section 1(2) of the bill does not provide the level of detail necessary to enact the appropriations intended

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

**2022**

**LB<sup>(1)</sup> 696**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Lane Carr Date Prepared: <sup>(4)</sup> 1.6.22 Phone: <sup>(5)</sup> 4024193012

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

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>84,247</u>	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>84,247</u>	_____	_____	_____

**Explanation of Estimate:**

The bill would create a new retention payment program for public school employees to be implemented and run by the Nebraska Department of Education using federal pandemic funds. Since the payments would be provided to all public school employees, this would require significant staff time from the Nebraska Department of Education. As such, one FTE along with salary authority would be needed to develop and implement the program.

LB690 does not specify the total amount of funds to be appropriated for the one-year program.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Grant Specialist	<u>1</u>	_____	<u>44,769</u>	_____
Benefits.....	_____	_____	<u>34,468</u>	_____
Operating.....	_____	_____	<u>5010</u>	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	<u>??</u>	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>84,247</u>	_____

