

PREPARED BY: Bill Biven, Jr.
 DATE PREPARED: January 13, 2023
 PHONE: 402-471-0054

LB 153

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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.

LB153 amends §79-1142 to create & adopt the Extraordinary Increase in Special Education Expenditures Act.

On or before January 15 of each school fiscal year, school districts can submit an application that has been created by the Nebraska Department of Education (NDE) to the department for a payment from the Extraordinary Increase in Special Education Expenditures Fund to cover an extraordinary increase in special education expenditures that meet the necessary requirements.

The application must include the special education expenditures of the applicant school district as of the immediately preceding December 31 for the school fiscal year in which the application is submitted. NDE will then divide those expenditures by two then multiply the result by one hundred seven percent. Each district that applies will qualify for a maximum payment equal to the difference of the qualified expenditures for the current school year submitted minus the amount calculated.

NDE will make payments to the districts on or before January 31 for the school year in which the application is submitted. Each payment will equal the maximum payment determined except if the sum of all maximum payments of the districts that applied exceeds the available balance of the fund. Payments will be reduced proportionally as to not exceed the fund balance.

EXPENDITURES:

LB153 states the intent to appropriate \$10,000,000 from the General Fund for FY2023-24 and then make future appropriations as necessary.

No funding amount has been set for FY2024-25 or beyond.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	153	AM:	AGENCY/POLT. SUB: Nebraska Department of Education	
REVIEWED BY:	Gary Bush	DATE:	1/17/23	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the agency's response.				

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

2023

LB⁽¹⁾ 153

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/12/23 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$10,000,000		\$10,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$10,000,000</u>		<u>\$10,000,000</u>	

Explanation of Estimate:

The intent of LB 153 is to appropriate ten million dollar to the Extraordinary Increase in Special Education Cost Fund for fiscal year 2023/24. This increases the dollar amount necessary to comply with IDEA Maintenance of State Financial Support (MFS). 34 CFR 300.163(a) "A State must not reduce the total amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of educating those children, below the amount of that support for the preceding fiscal year." States that fail to maintain support will have their Federal IDEA Part B Section 611 grant reduced by the same amount by which the state failed to meet the requirement.

To qualify for the extraordinary special education funding a district may submit an application to NDE on or before January 15th with their special education expenditures as of December 31st for the current year. If the district's special education expenditures exceed half of the special education expenditures of the prior year multiplied by one hundred seven percent, the excess current year expenditures will be reimbursed on or before January 31st. If there are more qualifying reimbursements than what is allocated by the State, the reimbursements will be proportionally reduced for all districts submitting qualifying expenses for the early reimbursement. Any reimbursement received would be later reduced when the final financial reports for special education costs are submitted.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				

Travel.....	<u> </u>	<u> </u>
Capital outlay.....	<u> </u>	<u> </u>
Aid.....	<u> \$10,000,000 </u>	<u> \$10,000,000 </u>
Capital improvements.....	<u> </u>	<u> </u>
TOTAL	<u> \$10,000,000 </u>	<u> \$10,000,000 </u>