

PREPARED BY: Bill Biven, Jr.
DATE PREPARED: February 06, 2025
PHONE: 402-471-0054

LB 498

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	\$5,431,267		\$6,588,739	
CASH FUNDS	\$3,276,563		\$3,293,563	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$8,707,830		\$9,882,302	

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

LB498 amends several sections relating to the Tax Equity & Educational Opportunities Support Act (TEEOSA) to change the provisions relating to foundation aid & certain certification dates.

Starting with the 2025-26 school year & each school year thereafter, the foundation aid to be paid to each district each year will equal the amount of foundation aid paid per formula student in the immediately preceding school year that is then increased by the percentage increase in the Consumer Price Index for All Urban Consumers published by the Federal Bureau of Labor Statistics for the previous calendar year, multiplied by the number of formula students for that district.

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

FISCAL IMPACT:

The Consumer Prices Index (CPI) for all items rose 2.9 percent from December 2023 to December 2024.

Using a 2.9% increase from the CPI for both FY2025-26 & FY2026-27, the TEEOSA calculation is increased by \$5,431,267 from the General Fund & \$3,276,563 from the Education Future Fund for FY2025-26; & \$6,588,739 from the General Fund & \$3,293,563 from the Education Future Fund for FY2026-27.

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

LB: 498	AM:	AGENCY/POLT. SUB: Nebraska Department of Education	
REVIEWED BY: Kimberly Burns		DATE: 02/06/2025	PHONE: (402) 471-4171
COMMENTS: The Nebraska Department of Education's estimate of fiscal impact in FY 2025-26 from LB 498 appears reasonable based on the assumptions. No basis to disagree with the estimated fiscal impact provided for FY 2026-07.			

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: ⁽⁴⁾ 1/29/25

Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$6,804,913		\$6,840,000	
CASH FUNDS	\$2,148,920		\$2,160,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$8,953,833		\$9,000,000	

Explanation of Estimate:

LB 498 changes the amount of foundation aid paid out per student to the amount paid the prior year plus the Consumer Price Index amount from the prior year. Additionally, this bill would change the certification date to June 15th and void any previous certification for 2025/26 TEEOSA aid.

For the fiscal note NDE used a CPI of 2.9% for 2024 which increased the foundation aid from \$1,500 to \$1,543. The cost of the changes for FY 2025/26 is \$8,953,833. Since the CPI is not known yet for FY 2025 NDE estimated a similar amount for 2026/27.

No fiscal impact to NDE.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			\$8,953,833	\$9,000,000
Capital improvements.....				
TOTAL.....			\$8,953,833	\$9,000,000