

# 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	
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.

LB633 amends §79-239 to change the provisions relating to applications rejected under the enrollment option program & creates the Nebraska Option Enrollment Tuition Account Program.

The Nebraska Option Enrollment Tuition Account Program is created & will be administered by the State Board of Education.

The request & copy of the rejection notice must be received by the State Board of Education within thirty days after the date when notification of the rejection was received by the parent or legal guardian. Upon receipt of that request & copy of the rejection notice, the board will issue an option enrollment tuition account to the parent or guardian within fifteen calendar days upon receiving notice of the decline to appeal & a request for a scholarship account.

The option enrollment tuition account will be credited for an eligible student an amount of funds equal to the adjusted average per pupil cost of the preceding year.

The option enrollment tuition account will be credited for an eligible student with a disability an additional amount of funds equal to the reimbursement rate of the eligible student's resident school district.

A parent of an eligible student will lose access to funds in a scholarship account if:

- the student reenrolls in a public school district
- the student moves out of state
- the student graduates from high school or earns a diploma of high school equivalency
- the parent or legal guardian of the eligible student fails to:
  - not enroll the eligible student as a full-time student in a public school district
  - use the funds in a scholarship account only for qualified education expenses & provide verification upon request by the board
  - comply with all other rules & requirements of the program

Qualified education expenses are the costs to educate an eligible student attending a private, denominational, or parochial school.

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

### FISCAL IMPACT:

The Nebraska Department of Education (NDE) will need to build a system to capture the necessary data. The system development cost & webhosting costs are estimated to be \$158,000 in FY2025-26 & \$20,000 for FY2026-27 & each year thereafter. They also estimate the need for a half FTE to manage the program. For FY2025-26, the FTE has a salary/benefit expense of \$57,778 & operating costs of \$171,610. For FY2026-27, the FTE has a salary/benefit expense of \$59,522 & operating costs of \$29,620.

LB633 allows the board to use up to five percent of scholarship account funds for purposes of administering the program, or may use those funds to contract with a third party to assist in carrying out the program. The dollar amount of what the "up to five percent" of the scholarship account funds that are allowed to be used for administration or use of a third party cannot be determined at this time.

The funding source & amounts are not clarified so they're assumed to be General Funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
LB: <b>633</b> AM:                      AGENCY/POLT. SUB: <b>Nebraska Department of Education</b>
REVIEWED BY: Kimberly Burns                      DATE: 02/18/2025                      PHONE: (402) 471-4171
COMMENTS: The Nebraska Department of Education's estimate of fiscal impact from LB 633 appears reasonable based on the assumptions provided.

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

**2025**

**LB<sup>(1)</sup> 633**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Bryce Wilson Date Prepared: <sup>(4)</sup> 2/11/25 Phone: <sup>(5)</sup> 402-471-4320

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

	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>
GENERAL FUNDS	<u>\$229,388</u>	<u></u>	<u>\$89,142</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>\$229,388</u></u>	<u><u></u></u>	<u><u>\$89,142</u></u>	<u><u></u></u>

**Explanation of Estimate:**

LB 633 creates a tuition program for students that have their enrollment option applications denied. The tuition funds can be used for qualified expenses at private, denominational or parochial schools.

To operate this program NDE will need to build a system to capture the necessary data and with over 971 enrollment option applications denied last year we anticipate needing half an FTE to manage the program. It is estimated that development cost and webhosting costs would be \$158,000 in year one and \$20k in the years following the initial year. The staffing position would cost \$71,387 in FY 25/26 and \$69,141 in FY 26/27.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b><u>POSITION TITLE</u></b>	<b>NUMBER OF POSITIONS</b>		<b>2025-26</b>	<b>2026-27</b>
	<b><u>25-26</u></b>	<b><u>26-27</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Program Specialist III	<u>.5</u>	<u>.5</u>	<u>\$35,563</u>	<u>\$36,719</u>
Benefits.....			<u>\$22,215</u>	<u>\$22,803</u>
Operating.....			<u>\$171,610</u>	<u>\$29,620</u>
Travel.....			<u></u>	<u></u>
Capital outlay.....			<u></u>	<u></u>
Aid.....			<u></u>	<u></u>
Capital improvements.....			<u></u>	<u></u>
TOTAL.....			<u><u>\$229,388</u></u>	<u><u>\$89,142</u></u>