

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	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.

LB1055 amends §79-2607 to change provisions relating to the Nebraska Reading Improvement Act; to provide powers & duties to the Nebraska Department of Education (NDE) related to the creation & support of a professional learning system & programming for adult education & literacy; to require teachers who teach students in grades kindergarten through fifth grade at an approved & accredited school receive certain training related to instruction in reading; & creates the Literacy Steering Committee.

NDE will work with Educational Service Units (ESUs) to provide regional coaches to approved or accredited elementary schools to provide assistance & job-embedded training relating to instruction in reading to teachers who teach students in kindergarten through fifth grade.

NDE will work with adult education providers to develop, administer, & support voluntary adult education & literacy programming that meets the requirements of Title II of the federal Workforce Innovation & Opportunity Act.

The Literacy Steering Committee will consist of the following members that are appointed by the Governor:

- A representative from NDE
- A representative from the Department of Health & Human Services (DHHS)
- A representative from an Educational Service Unit (ESU)
- A representative from a rural school
- A representative from an urban school
- A representative from a community college
- A representative from a statewide family engagement center
- A representative from an educator preparation program

The committee will contract with a third party to conduct a comprehensive literacy-needs assessment in Nebraska & develop a strategic action plan & coherent vision for improving literacy in Nebraska. NDE will employ a literacy coordinator to verse, advise, & monitor the provisions of the act.

EXPENDITURES:

There is intent to appropriate \$10,000,000 from the General Fund for FY2024-25 to NDE to provide regional coaches to assist with training relating to instruction in reading or for teachers & early childhood educators, high-quality instructional reading materials to support families, & any other activities approved by the State Board of Education for the purpose of improving early literacy.

There is intent to appropriate \$2,000,000 from the General Fund for FY2024-25 to NDE for adult literacy & education programs.

For FY2024-25, NDE estimates that the Literacy Coordinator FTE to have salary/benefits expense of \$117,273; operating expenses of \$21,592; & travel expenses of \$9,668. For FY2025-26, the FTE will have salary/benefits expense of \$120,792; operating expenses of \$22,240; & travel expenses of \$9,958.

There will be additional expenses to contract with a third party required by LB1055 but those expenses are unknown at this time.

Remaining funds appropriated to NDE will be used to pay for increased expenses to ESUs.

For FY2024-25, the Educational Service Unit Coordinating Council (ESUCC) estimates the need to add 37 FTEs across the seventeen ESUs in Nebraska. The FTEs will have a salary/benefits expense of \$3,700,000; & travel expenses of \$50,000. For FY2025-26, the number of FTEs needed increases to 74. The FTEs will have a salary/benefits expense of \$7,622,000; & travel expenses of \$100,000.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1055	AM:	AGENCY/POLT. SUB: Nebraska Department of Education
REVIEWED BY:	Gary Bush	DATE:	2/12//24 PHONE: (402) 471-4161
<p>COMMENTS: Agree with the agency that the bill provides intent to appropriate \$12 million to the agency. The provisions of the bill do not provide an end date so it would be reasonable to believe that literacy coordinator position required by the bill would result in ongoing costs into the future. It is also reasonable that the other ongoing costs that total \$12 million would also be required and funding would required into future fiscal years.</p> <p>Technical Note: The current appropriation language in the bill is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.</p>			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1055	AM:	AGENCY/POLT. SUB: Department of Health and Human Services
REVIEWED BY:	Gary Bush	DATE:	3/13/23 PHONE: (402) 471-4161
COMMENTS: Agree with the agency estimate of no fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1055	AM:	AGENCY/POLT. SUB Educational Service Unit Coordinating Council
REVIEWED BY:	Gary Bush	DATE:	1/22/24 PHONE: (402) 471-4161
<p>COMMENTS: No basis to disagree with the estimate provided.</p> <p>The ESUs do have taxing authority so not all costs would be General Funds.</p>			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 1-30-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

There is no fiscal impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
		24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0

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

2024

LB⁽¹⁾ 1055

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ _____

Prepared by: ⁽³⁾ _____ Date Prepared: ⁽⁴⁾ _____ Phone: ⁽⁵⁾ _____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$12,000,000	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$12,000,000</u>	_____	_____	_____

Explanation of Estimate:

LB1055 requires the NDE to develop a professional learning system focused on foundational literacy, and appropriates \$10 million for this provision. The bill also appropriates \$2 million in funding for adult literacy and education. The bill also establishes the Literacy Steering Committee, and requires the NDE to employ a literacy coordinator.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Education Specialist III	1	1	74,784	_____
Benefits.....	_____	_____	42489	_____
Operating.....	_____	_____	21,592	_____
Travel.....	_____	_____	9,668	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	11,851,467	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$12,000,000</u>	_____

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

2024

LB⁽¹⁾ 1055

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Educational Service Unit Coordinating Council (ESUCC)

Prepared by: ⁽³⁾ Dr. Kraig J. Lofquist Date Prepared: ⁽⁴⁾ 01/16/2024 Phone: ⁽⁵⁾ 402.597.4843

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3,700,000		\$7,622,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$3,700,000		\$7,622,000	

Explanation of Estimate:

*****The 2024-25 year estimate is considerably less, because it will take time to get the program up and running to full strength.***

This estimate is to have Nebraska's ESUs provide **regional reading coaches**. Budgeted figures are based on the number of teachers served within the ESU area.

Small ESUs (including ESUs 4, 5, 6, 11, 15, 16 and 17) to employ **14 FTE** staff members, **2 FTE per ESU @ \$100,000/year** for each employee totaling \$1,400,000. ****Note: 7 FTE staff members in 2024-25**

Mid ESUs (including ESUs 1, 2, 7, 8 and 9) to employ **20 FTE** staff members, **4 FTE per ESU @ \$100,000/year** for each employee totaling \$2,000,000. ****Note: 10 FTE staff members in 2024-25**

Large ESUs (including ESUs 3, 10, 13, 18 and 19) to employ **40 FTE** staff members, **8 FTE per ESU @ \$100,000/year** for each employee totaling \$4,000,000. ****Note: 20 FTE staff members in 2024-25**

Total salary and benefits equal \$3,700,000 for the 2024-25 year and \$7,622,000 for the 2025-26 school year, which includes a 3% cost increase.

Travel-\$50,000 year one and \$100,000 for year two.

The breakdown below includes the cost of "benefits" which ARE included in the overall expenditures listed above.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services

POSITION TITLE	NUMBER OF POSITIONS		2024-25 EXPENDITURES	2025-26 EXPENDITURES
	24-25	25-26		
Regional Reading Coaches	37	74	\$2,600,000	\$5,335,400
Benefits.....			\$1,100,000	\$2,286,600
Operating.....				
Travel.....			\$50,000	\$100,000
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL			\$3,750,000	\$7,722,000