

PREPARED BY: Bill Biven, Jr.
 DATE PREPARED: January 26, 2024
 PHONE: 402-471-0054

LB 1081

Revision: 00

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	\$644,790		\$657,128	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$644,790		\$657,128	

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

Beginning with or prior to the 2025-26 school year, each school district will ensure that if a student with a disability is educated with non-disabled students & specially designed instruction & supplementary special education services are provided in the general education classroom, including, as appropriate, resource room programs & special class programs, the appropriate student-to-teacher ratio is followed.

School districts will annually file a report with the Nebraska Department of Education (NDE) on forms prescribed by NDE certifying that the district is in compliance with the student-to-teacher ratios required. A district can apply to the department for an exception waiver. NDE can grant the district a one-year exception waiver but no district can receive more than three exception waivers.

If the Commissioner determines that any district has intentionally refused to comply, they will notify the district of the non-compliance & allow the district a reasonable time to comply. If the commissioner determines, after that time has elapsed, that the district is still not in compliance & has not made a good faith attempt at complying, the commissioner will take appropriate action within the commissioner's authority, up to & including considering the non-compliance as a violation of the rules & regulations for the accreditation of schools.

EXPENDITURES:

NDE estimates the need to add five additional FTEs to provide technical assistance, for monitoring, and compliance investigations.

For FY2024-25, the FTEs will have a salary/benefits expense of \$586,365; & operating expense of \$58,425. For FY2025-26, the FTEs will have a salary/benefits expense of \$603,956; & operating expense of \$53,172.

There will be costs to school districts to meet the requirements of the bill, but the cost will vary by school district.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1081 (Revised)	AM:	AGENCY/POLT. SUB: Nebraska Department of Education
REVIEWED BY:	Gary Bush	DATE:	1/29/24 PHONE: (402) 471-4161
<p>COMMENTS: Disagree with the agency that five additional FTEs would be required. Additionally, the assumptions that salaries would increase by 5% in FY2025-26 is not reasonable. Agree that the fiscal impact to school districts is difficult to determine at this time and likely to be high. Any additional costs for school districts that would have increased costs would appear in the TEEOSA formula after two years as a Need and for equalized school districts it is likely to result in an increase in equalization aid. These additional costs could also lead to increased property taxes.</p>			

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2024

LB⁽¹⁾ 1081 REVISION

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 1.24.24 Phone: ⁽⁵⁾ 402.419.3012

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	\$693,137		\$715,091	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$693,137</u>		<u>\$715,091</u>	

Explanation of Estimate:

LB1081 establishes student to teacher ratios for general and special education classrooms. The fiscal impact for districts would be significant, but cannot be determined at this time. Schools found out of compliance could also be at risk of losing federal special education funds.

The NDE anticipates a need for increased technical assistance, monitoring and complaint investigation, which would require additional staff detailed below.

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	5	5	373,921	392,617
Benefits.....			212,444	219,504
Operating.....			58,425	53,172
Travel.....			48,347	49,798
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$693,137</u>	<u>\$715,091</u>