

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See Below	See Below	See Below	See Below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

The Nebraska Department of Education (NDE) will develop & administer the Classroom Improvement Program. The program will consist of two bonuses available to eligible Class V teachers who meet the qualifications. The bonuses include a classroom performance bonus & a student advancement bonus.

**Expenditures:**

LB1259 states the intent to appropriate five million dollars from the General Fund for FY2024-25. However, the bill requires NDE to award a grant to any eligible individual for each type of grant, and NDE would require sufficient appropriation to pay such expense.

Omaha Public Schools (OPS) estimates that 1,533 teachers would qualify for the grant described in section 1 in FY24-25, and an additional 100-200 teachers would qualify in future years. The cost of this provision is estimated to be, assuming 90% of eligible teachers apply, about \$7 million in FY24-25 and \$675,000 in each subsequent year. Additionally, OPS estimates the cost of student advancement bonuses to be \$3.5 million each year based on the number of teachers that would be eligible. Class performance bonuses are not estimated by OPS, but would increase the overall cost of the program, depending on the number of eligible teachers each year.

Based on this data, it is reasonable to assume the costs of the grants and bonuses under the act to be at least \$10.5 million in FY24-25 and \$4.175 million each year thereafter.

NDE estimates the need two additional FTEs to build the system & to review & process the grant requests. The FTEs will have a salary/benefits expense of \$228,139; operating expenses of \$43,182; & travel expenses of \$2,584.

**REVENUE:**

The Nebraska Department of Revenue estimates an increase in General Funds of \$267,000 due to the bonuses being taxable income.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>				
LB:	1259	AM:	AGENCY/POLT. SUB: Nebraska Department of Education	
REVIEWED BY:	Gary Bush	DATE:	1/29/24	PHONE: (402) 471-4161
COMMENTS: Unable to provide comment on fiscal impact because the fiscal note appears to be written to the intent of \$5 million and not to an analysis of actual impact of the provisions of the bill. Additionally, this grant is available for more than one year.				
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.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	1259	AM:	AGENCY/POLT. SUB: Department of Revenue		
REVIEWED BY:	Gary Bush	DATE:	1/29/24	PHONE:	(402) 471-4161
COMMENTS: Agree with the agency's estimate of the fiscal impact from the bill.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	1259	AM:	AGENCY/POLT. SUB: Nebraska Public Employees Retirement System		
REVIEWED BY:	Gary Bush	DATE:	1/25/24	PHONE:	(402) 471-4161
COMMENTS: Agree with the agency estimate of no fiscal impact.					

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

**2024**

**LB<sup>(1)</sup> 1259**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Employees Retirement System

Prepared by: <sup>(3)</sup> Teresa Zulauf Date Prepared: <sup>(4)</sup> 1-24-24 Phone: <sup>(5)</sup> 402-471-7745

**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	_____	_____	_____	_____
CASH FUNDS	<u>0</u>	_____	<u>0</u>	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	_____	<u>0</u>	_____

**Explanation of Estimate:**

LB 1259 is a bill to provide grants and bonuses for teachers based on the overall academic performance growth of the teacher's classroom.

No fiscal impact to NPERS Agency 085 operations expenditures.

**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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2024**

**LB<sup>(1)</sup> 1259**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Omaha Public Schools

Prepared by: <sup>(3)</sup> Shane Rhian Date Prepared: <sup>(4)</sup> 26-Jan-24 Phone: <sup>(5)</sup> 531-299-9430

**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	11,165,000		4,500,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>11,165,000</b>		<b>4,500,000</b>	

**Explanation of Estimate:**

**Provision 1 - \$5,000 One-Time Grant for Teachers in Needs Improvement Schools**

Omaha Public Schools (OPS) currently has 1,533 regular education teachers in schools identified as Needs Support to Improvement. The first-year cost for this provision would \$7,665,000 if all teachers applied for and received the grant. An estimated 100 to 200 teachers would potentially become eligible for the grant annually as new teachers are hired or reassigned to schools identified as Needs Improvement.

**Provision 2 – Class Performance Bonus**

OPS is unable to calculate potential impact for this provision without clearer definitions and understanding of operationalization. Currently, within MAP, there is no Fall to Spring classroom growth percentage that can be compared to a state or national norm. Further, there are several metrics or ways of understanding national norms for growth in MAP.

**Provision 3 – Student Advancement Bonus**

OPS estimates the annual cost of this provision would be \$3,500,000. This estimate was based on teachers earning the Student Advancement Bonus for each of the three assessment areas, English Language Arts, Math, and Science, since students only receive scores in each of the three areas with no overall composite score.

**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>
			11,165,000	4,500,000
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>11,165,000</b>	<b>4,500,000</b>





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

**2024**

**LB<sup>(1)</sup> 1259**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Lane Carr Date Prepared: <sup>(4)</sup> 1.24.24 Phone: <sup>(5)</sup> 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	\$5,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$5,000,000</u>			

**Explanation of Estimate:**

LB1259 would create the Classroom Improvement Grant Program, which would provide bonuses for teachers in Class 5 schools in the lowest accountability category, and additional performance-based grants based on students' academic growth. The NDE would need two FTEs to build a system, and review and process grant requests.

**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>
Program Specialist II	1	1	61,805	
IT Applications Developer Senior	1	1	82,263	
Benefits.....			84,071	
Operating.....			43,182	
Travel.....			2,584	
Capital outlay.....				
Aid.....			\$4,726,095	
Capital improvements.....				
<b>TOTAL.....</b>			<u>\$5,000,000</u>	