

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$792,286	See below	\$961,184	
CASH FUNDS	(\$792,286)		(\$961,184)	
FEDERAL FUNDS	\$310,000			
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$310,000</b>		<b>\$0</b>	

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

LB519 amends several sections to eliminate certification fees for teaching certificates; creates & terminates funds; changes provisions of the Excellence in Teaching Act; & adopts the Student Teaching Assistance Act.

On October 1, 2023, the Certification Fund & the Professional Practices Commission Fund will be terminated & the State Treasurer will transfer any remaining money in those funds to the General Fund.

The loans & the loan forgiveness amounts for eligible new teachers in the Attracting Excellence to Teaching Program changes from three thousand to five thousand dollars. Loan forgiveness for teachers in high poverty schools increases from six thousand to ten thousand dollars.

A school employee retention fund is created to provide retention payments to public & private, denominational, or parochial elementary & secondary school employees in order to decrease the number of open job positions created by the COVID-19 public health emergency. The Nebraska Department of Education (NDE) will provide grants to all school districts & private, denominational, or parochial school employees for the purpose of school employee retention. The grant amounts will be proportionate to the total amount appropriated less a percentage available for private, denominational, or parochial school employees.

The Student Teaching Assistance Act is created to:

- Address the ongoing teacher shortage throughout the state by eliminating financial barriers to students enrolled in accredited teacher education programs in Nebraska
- Retain resident & non-resident graduates of accredited teaching programs as teachers within accredited school districts in Nebraska
- Establish a loan program that requires the borrower to obtain employment as a teacher in Nebraska after graduation

Eligible students for this act will:

- Agree to complete a teacher education program at an eligible institution
- Enroll in a teacher education program at an eligible institution before the start of the next academic semester following the submission of their application
- Maintain full-time student status during the student-teaching semester in which a loan under this act is requested
- Commit to teach in an approved or accredited public school in Nebraska once they've successfully completed a teacher education program

Eligible students may apply for a loan on an annual basis of no more than eight thousand five hundred dollars per year & will not exceed five consecutive years and the loans will be awarded through an eligible institution.

The estimated balances as of 10/31/23 for the Professional Practices Commission Fund is \$700,000 & the estimated balance for the Certification Fund is \$1,000,000. The balance transferred to the General Fund will be revenue in FY 23-24.

EXPENDITURES:

The bill states the intent to appropriate thirty-five million dollars from the General Fund for FY2023-24 to NDE for the school employee retention fund.

The bill states the intent to allocate up to thirty million dollars annually in the aggregate of the funds for the Student Teaching Assistance Act. The funding source for this has not been clarified so it is assumed to be from the General Fund.

The program funding is currently Cash Funds & are being eliminated so the funding source will need to be updated to reflect General Funds to meet NDE's expenditures for the Teacher Certification department & the Professional Practices Commission that are currently funded through Cash Funds.

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

LB: 519 AM: AGENCY/POLT. SUB: Nebraska Department of Revenue

REVIEWED BY: Gary Bush DATE: 1/26/23 PHONE: (402) 471-4161

COMMENTS: Agree with the agency on the fiscal impact of the bill.

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

**2023**

**LB<sup>(1)</sup> 519**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Lane Carr Date Prepared: <sup>(4)</sup> 1.24.23 Phone: <sup>(5)</sup> 4024193012

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

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$65,792,286		\$65,961,184	
CASH FUNDS				
FEDERAL FUNDS	\$310,000 (ESSER)			
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$66,102,286</u>	<u>0</u>	<u>\$66,114,467</u>	<u>0</u>

**Explanation of Estimate:**

LB519 has multiple parts with potential fiscal impact:

- First, the bill eliminates the Professional Practices Commission and Teacher Certification Funds. As such, the following appropriations would be required to maintain current staff or funding levels:
  - The Teacher Certification Fund supports 10 NDE staff associated with the 11,000 teacher certifications, permits, and endorsements issued annually. The NDE is currently supplementing the office with \$310,000 in statewide ESSER funds which sunset in September 2024.
    - 2023-24 – \$639,003 (Salary & Operations less statewide ESSER investment of \$310,000)
    - 2024-25 - \$961,184 (Salary & Operations)
  - The PPC’s proposed annual budget for 2022-23 is \$153,283. This total is reflected in the Operating line below. The PPC cash balance is currently \$728,697.
- Next, LB519 adjusts AETP Program awards from \$3,000 to \$5,000 and \$5,000 to \$10,000 without allocating additional funding. This would have no fiscal impact, as there would just be fewer awards available.
- Third, the bill creates a \$35 million retention fund.
- Finally, the Student Teaching Assistance Program is created, appropriating \$30 million to the NDE for the program.
- The implementation of the retention fund and the Student Teaching Assistance Act may require additional FTE and/or the ability to contract services.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Program Associate IV	6	6	\$262,722	\$267,976
Education Specialist III	1	1	\$68,310	\$69,676
Education Specialist IV	1	1	\$75,899	\$77,417
Program Associate III	2	2	\$79,055	\$80,636
Benefits.....			\$371,164	\$379,562
Operating.....			\$232,506	\$226,190
Travel.....			\$12,630	\$13,010
Capital outlay.....				
Aid.....			\$65,000,000	\$65,000,000



