

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				
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.

LB 1238 creates the Special Educators of Tomorrow program consisting of two aid components - a scholarship program with an award amount of up to \$2,500 per applicant, and a forgivable loan program with an award amount up to \$4,000 per applicant. The loan program includes a forgiveness provision that would require administration for five years after graduation and a repayment provision that would require administration for a period of time to be determined in rule after default. LB 1238 also creates the Special Educators of Tomorrow Fund.

As written, the bill includes intent to fund the programs with an initial transfer of \$1,500,000 from the General Fund to the Special Educators of Tomorrow Fund in FY 24-25, and \$250,000 per year thereafter (with no end date specified). Section 4 of the bill provides that FY29-30 would be the final year to approve loans under this program. While the fiscal note response from the Coordinating Commission for Postsecondary Education (CCPE) aligns the projected General Fund transfers with the intended final school year (FY29-30), the Fiscal Office’s fiscal note reflects the amounts as the bill is currently written.

These programs would be administered by the CCPE. The CCPE estimates that the Special Educators of Tomorrow program would cost \$53,750 to administer for FY24-25 and \$55,025 per year thereafter, until such time that program administration is no longer required (e.g., up to five years after the last loan is awarded).

It is unclear at this time whether the administrative cost would be spent from, or in addition to, the amounts transferred each year from the General Fund because the cash fund statute only authorizes funds to be used “to fund scholarships and loans” pursuant to the Act. The disposition of any unused funds that may remain when the program closes is also unspecified. Once amounts are clarified, an appropriations bill would be needed to implement the transfers and appropriate expenditures.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1238	AM:	AGENCY/POLT. SUB: Coordinating Commission for Postsecondary Education
REVIEWED BY:	Gary Bush	DATE:	1/25/24 PHONE: (402) 471-4161
COMMENTS: The estimate of impact appears to be reasonable given the assumptions used.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1238	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY:	Gary Bush	DATE:	1/29/243 PHONE: (402) 471-4161
COMMENTS: Agree with the University that there would be no fiscal impact related to the changes required by the bill.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	1328	AM:	AGENCY/POLT. SUB: Nebraska State College System		
REVIEWED BY:	Gary Bush	DATE:	1/24/24	PHONE:	(402) 471-4161
COMMENTS: Agree with the agency's estimate of no fiscal impact.					

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

2024

LB ⁽¹⁾ 1238 Adopt the Special Educators of Tomorrow Act

FISCAL NOTE

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System

Prepared by:⁽³⁾ Chris Kabourek Date Prepared:⁽⁴⁾ 01/24/2024 Phone:⁽⁵⁾ (402) 472-7102

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024 - 25		FY 2025 - 26	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
CASH FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
OTHER FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Explanation of Estimate:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024 - 25 EXPENDITURES</u>	<u>2025 - 26 EXPENDITURES</u>
	<u>24 - 25</u>	<u>25 - 26</u>		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2024

LB⁽¹⁾ 1238

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System

Prepared by: ⁽³⁾ Monte Kramer Date Prepared: ⁽⁴⁾ 1/23/2024 Phone: ⁽⁵⁾ 402-471-2507

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact.

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⁽¹⁾ 1238

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Coordinating Commission for Postsecondary Education

Prepared by: ⁽³⁾ Gary Timm Date Prepared: ⁽⁴⁾ 1/23/2024 Phone: ⁽⁵⁾ 402.471.0020

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	261,250		470,025	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>261,250</u>	<u>0</u>	<u>470,025</u>	<u>0</u>

Explanation of Estimate:

LB 1238 creates the Special Educators of Tomorrow consisting of two aid programs – a scholarship program with an award amount up to \$2,500 and a forgivable loan program with an award amount up to \$4,000. The loan program includes a forgiveness provision that would require administration for five years after graduation and a repayment provision that would require administration for a period of time to be determined in rule after default.

To fund this program, intent language was included that would transfer \$1.5 million from the General Fund to the Special Educators of Tomorrow Fund for fiscal year 2024-25 and \$250,000 for each fiscal year thereafter through 2029-30 for a total of \$2,750,000.

The NE Department of Education's 2023-24 Teacher Vacancy Survey Report identified 134 special education positions filled with someone other than a fully qualified teacher and 76 vacant special education positions for a total of 210 unfilled positions. This does not include any retirements or turnovers that would occur over the next several years. Assuming 35 scholarship awards each year and 30 loan awards each year, with a majority of the loans being awarded to the same student after their two-year scholarship has been used, a potential of 210 students would be available to fill these positions, provided they would choose the special education path (see chart below).

A 0.5 FTE Program Associate would be needed to administer this program with estimated administrative and aid costs of: Salary \$25,000, Benefits \$15,500, Postage \$500, CIO Charges \$3,000, Rules and Regs hearing (2024-25) \$750, Rent \$3,000, Legal Services \$6,000 (loan program).

	<u>2024-25</u>		<u>2025-26</u>		<u>2026-27</u>		<u>2027-28</u>		<u>2028-29</u>		<u>2029-30</u>		<u>2030-31 - 2034-35 *</u>		<u>Total</u>		
	<u>Award Amount</u>	<u>Awards</u>	<u>Cost</u>	<u>Awards</u>	<u>Cost</u>	<u>Students Awarded</u>											
Transfer from General Fund			1,500,000		250,000		250,000		250,000		250,000		250,000		0	2,750,000	
Scholarship (2 year max)	\$2,500	35	87,500	70	175,000	70	175,000	70	175,000	70	175,000	35	87,500			210	875,000
Loan (3 year max)	\$4,000	30	120,000	60	240,000	90	360,000	90	360,000	60	240,000	30	120,000			180	1,440,000
Aid payments			207,500		415,000		535,000		535,000		415,000		207,500		0	390	2,315,000
Admin costs			53,750		55,025		55,025		55,025		55,025		55,025		106,125		435,000
Total Expenditures			261,250		470,025		590,025		590,025		470,025		262,525		106,125		2,750,000
Ending Cash Balance			1,238,750		1,018,725		678,700		338,675		118,650		106,125		0		0

* Loan program administration would need to continue for at least five years after the last loan was awarded.

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 Associate	0.5	0.5	25,000	26,250
Benefits.....			15,500	16,275
Operating.....			13,250	12,500
Travel.....				
Capital outlay.....				
Aid.....			207,500	415,000
Capital improvements.....				
TOTAL.....			261,250	470,025