

Revised to reflect updated agency response

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$95,384,500		SEE BELOW	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$95,384,500		SEE BELOW	

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

LB411 amends §79-8,114 to change provisions relating to eligibility for retention grants.

The Nebraska Department of Education (NDE) will distribute all retention grants automatically to the school district employing the eligible teacher. The district will then distribute the grant funds to that teacher.

Prior to July 1, 2025:

- a retention one grant of \$2,500 if the teacher has signed a contract to complete that teacher's second complete school year of full-time employment
- a retention two grant of \$2,500 if the teacher has signed a contract to complete that teacher's fourth complete school year of full-time employment as a teacher
- a retention three grant of \$2,500 if the teacher has signed a contract to complete that teacher's sixth complete school year of full-time employment as a teacher

Beginning July 1, 2025:

- a retention grant of \$2,500 per school year for a teacher's first through sixth school year of full-time employment teaching at a Nebraska school
- a retention grant of \$3,000 per school year for a teacher's seventh through fifteenth school year of full-time employment teaching at a Nebraska school
- a retention grant of \$4,000 per school year for a teacher's sixteenth & each year thereafter of full-time employment teaching at a Nebraska school

A high-need retention grant of \$5,000 if on or after July 1, 2025, a teacher:

- obtains an endorsement in special education, mathematics, science, technology, or dual-credit
- signs a contract to complete a year of full-time employment as a teacher to teach in that endorsement area at a Nebraska school

A teacher can only obtain one high-need grant during the duration of their teacher career in Nebraska.

Since an emergency exists, this bill takes effect when passed & approved according to law.

FISCAL IMPACT:

For FY2025-26, NDE estimates that there are twenty-seven thousand four hundred & eighty-eight retention grant eligible teachers in Nebraska.

Using FY2024-25 data, NDE estimates that there were one thousand one hundred seventy-eight teachers who were eligible (on or after July 1, 2025) for the high-needs grant.

For FY2026-27, the estimate would be less than FY2025-26 but cannot be determined as there isn't a way to estimate the number of new & or retiring teachers & also how many of those new teachers will also be eligible for the high-need grant.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 411	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Kimberly Burns		DATE: 03/10/2025	PHONE: (402) 471-4171
COMMENTS: The Department of Education's estimate of fiscal impact from LB 411 appears reasonable based on the updated assumptions applied.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 411	AM:	AGENCY/POLT. SUB: Nebraska Public Employees Retirement Systems	
REVIEWED BY: Kimberly Burns		DATE: 02/02/2025	PHONE: (402) 471-4171
COMMENTS: Concur with the Nebraska Public Employees Retirement Systems' assessment of no fiscal impact resulting from LB 411.			

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

2025

LB⁽¹⁾ 411

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 1.29.25 Phone: ⁽⁵⁾ 402.419.3012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$95,384,500		\$95,384,500	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$95,384,500		\$95,384,500	

Explanation of Estimate:

LB411 would amend the Teacher Recruitment and Retention Act to beginning July 1, 2025, distribute funding to school districts employing eligible teachers. Eligibility and amounts are extended to the following:

- Teachers in their first thru sixth years - \$2,500 each year
- Teachers in their seventh thru fifteenth years - \$3,000 each year
- Teachers with 16 or more years of service - \$4,000 each year

Additionally, high-need retention grants of \$5,000 are provided to teachers who obtain an endorsement in special education, mathematics, science, technology, or dual credit on or after July1, 2025. Such high-need retention grants are only awarded once.

Breakdown of Teachers by Years of Service:

Teachers	Public/ESU	Nonpublic	Total Number	Amount
1-6 Years	7024	737	7761	\$19,402,500
7-15 Years	7966	850	8816	\$26,448,000
16+ Years	9692	1219	10911	\$43,644,000
Total:				\$89,494,500

High Need:

For the 2024-25 school year, there were 1,178 teachers who were eligible for the high-needs grant. The NDE estimates at least this number each year. $\$5,000 \times 1,178 = \$5,890,000$

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			\$95,384,500	\$95,384,500
Capital improvements.....				
TOTAL.....			\$95,384,500	\$95,384,500

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

2025

LB⁽¹⁾ 411

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Employees Retirement Systems (NPERS)-
085

Prepared by: ⁽³⁾ Teresa Zulauf Date Prepared: ⁽⁴⁾ 1/23/25 Phone: ⁽⁵⁾ 402-471-7745

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	0	0	0	0
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	0	0

Explanation of Estimate:

LB 411 – Changes to Teacher Recruitment and Retention Act.

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>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				