

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated for the 2026 Legislative Session

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

EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	SEE BELOW	0	0	SEE BELOW
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	SEE BELOW	0	0	SEE BELOW
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW

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

LB426 amends §79-724 & §79-3501 to authorize an American flag education program; & to change the provisions relating to the distribution of lottery funds used for education.

All public, private, denominational, & parochial schools can, as a part of the social studies curriculum, engage students fifth grade and the completion of eighth grade in a one-hour American flag education program that would include, but is not be limited to, the United States Flag Code, the thirteen folds of the American flag, proper flag etiquette, conduct in the presentation of the flag, & the historical background of the flag. The program can be developed & presented in consultation & partnership with a local recognized veterans' organization.

As part of the program, each student will receive one American flag that is three feet by five feet & a booklet on flag etiquette.

For fiscal years 2024-25 through 2028-29, the three percent of lottery funds available to be used for education purposes that are currently being allotted for distance education incentives is now expended to include the costs of the American flag education program.

FISCAL IMPACT:

The costs of the American flag education program will be funded using lottery funds or private donations.

The estimates of lottery available for education are \$21,750,000 for FY2025-26 & \$22,500,000 for FY2026-27. Three percent of these funds would be available for distance education incentives and the costs of the flag education programs.

The lottery funds currently allotted for distance education incentives are usually fully expended between July & November of each school year so it is uncertain how many funds will be available for the American flag education program. There is also no clarification as to what happens if a school participates in the new program & there are no funds available to cover the expense of the American flag & booklet that will be given to each student.

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

2026

LB⁽¹⁾ 426

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Educational Service Unit Coordinating Council

Prepared by: ⁽³⁾ Larianne Polk Date Prepared: ⁽⁴⁾ 12/1/2025 Phone: ⁽⁵⁾ 402-597-4843

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	<u>60,000</u>			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>60,000</u>			

Explanation of Estimate:

Fiscal note explanation for training only:

Video Production and Accompanying Materials
\$5,000

The ESUCC will produce high quality video and accompanying materials posted online platforms for public, private, and home schools to access.

Fiscal note explanation for training and flags for 30,000 students:

Estimated number 5th Grade Students	8"x12" Flag with Stick (12/pkg)	Video Production and Accompanying Materials	Total
30,000	2500	1	
	\$55,000	\$5,000	\$60,000

The number of 5th, 6th, 7th or 8th grade students in this model is 30,000.

One package of 8"x10" American flags on sticks range in cost depending on quality, fabric, stitching, etc. This model is \$21.99/package of 12 flags. Each student receiving one of these flags is \$54,975 statewide (given 30,000 students).

The ESUCC will produce high quality video and accompanying materials posted online platforms for public, private, and home schools to access.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 EXPENDITURES	2027-28 EXPENDITURES
	26-27	27-28		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2026

LB⁽¹⁾ 426

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 12.3.25 Phone: ⁽⁵⁾ 402.419.3012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

LB426 allows public and non-public schools to include American flag programming, and to receive an American flag for each child as part of the completion. Adds purchasing of flags as an acceptable use of lottery funds under current provisions used for distance education incentives. The fund is estimated to be \$704,000 and is administered by the ESU Coordinating Commission. As these are existent cash funds, there is no additional fiscal cost.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:	NUMBER OF POSITIONS		2026-27	2027-28	
	POSITION TITLE	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____	_____

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 426	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: Kimberly Burns	DATE: 12/10/2025	PHONE: (402) 471-4171
COMMENTS: Concur with the Department of Education's assessment of no fiscal impact from LB 426.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 426	AM: 586	AGENCY/POLT. SUB: Educational Service Unit Coordinating Council
REVIEWED BY: Kimberly Burns	DATE: 12/05/2025	PHONE: (402) 471-4171
COMMENTS: The Educational Service Unit Coordinating Council's fiscal assessment and estimates of potential impact seem reasonable based on the analysis provided in the fiscal note.		