

PREPARED BY: Bill Biven, Jr.
DATE PREPARED: March 05, 2025
PHONE: 402-471-0054

LB 711

Revision: 00

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	\$1,960,169		\$2,486,812	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,960,169		\$2,486,812	

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

LB711 amends several sections to change the provisions relating to the new school adjustment & the certification dates within the Tax Equity and Educational Opportunities Support Act (TEEOSA).

Currently, the second-year of the Two-Year New School Adjustment amount is calculated at a weighed amount that is half of the first-year amount. LB711 updates that calculated amount to be weighted the same as the first year.

LB711 creates a new certification date of June 15th, 2025, & on or before March 1 for each year thereafter.

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

FISCAL IMPACT:

	Current Estimate:	LB711 Estimate:	Change in TEEOSA:
FY2025-26	\$1,192,430,823	\$1,194,390,992	\$1,960,169
FY2026-27	\$1,183,038,649	\$1,185,525,461	\$2,486,812
FY2027-28	\$1,201,494,910	\$1,204,340,654	\$2,845,745
FY2028-29	\$1,220,904,874	\$1,223,850,219	\$2,945,346

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

LB: 711	AM:	AGENCY/POLT. SUB: Nebraska Department of Education	
REVIEWED BY: Kimberly Burns		DATE: 02/18/2025	PHONE: (402) 471-4171
COMMENTS: The Nebraska Department of Education's estimate of fiscal impact in fiscal year 2025-26 resulting from LB 711 appears reasonable.			

2025

FISCAL NOTE

Prepared by: (3) Bryce Wilson Date Prepared: (4) 2/10/25 Phone: (5) 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$1,960,170		Unknown	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,960,170		Unknown	

LB 711 changes the Two-Year New School Adjustment to provide the same weighting in the second year as is used for the first year of the adjustment. Currently, the second-year amount of need calculated is half of the first-year amount.

Adjustments provide formula need in the TEEOSA calculation for expenses that are not yet included in the districts spending. It takes two years before new expenses are recognized in the formula so this change would hold consistent the formula need for two years instead of stepping it down 50% after the first year.

Additionally, this bill would void any certification of 2025/26 TEEOSA done prior to the passage of this bill and create a new certification date of June 15th.

The change to the Two-Year New School Adjustment will increase the TEEOSA funding required to be paid by \$1,960,170 for 2025/26 and an amount for 2026/27 that cannot be determined at this time. No fiscal cost to NDE.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			\$1,960,170	Unknown
Capital improvements.....				
TOTAL.....			\$1,960,170	Unknown