

PREPARED BY: Bill Biven, Jr.
DATE PREPARED: February 06, 2025
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LB 589

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	\$7,027,200		\$7,027,200	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$7,027,200		\$7,027,200	

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

LB589 amends §79-1142 to change the provisions relating to reimbursement for special education programs, & support services & requires that school districts provide special education staff with professional leave.

The allowable & reimbursable costs for special education & support services within the payment for the Extraordinary Increase in Special Education Expenditures Act will include substitute service costs directly associated with special education programs. Each school district will provide special education staff with four days of professional leave per year, supported by substitute personnel. That leave will be used onsite for the sole purpose of completing essential documentation for students receiving special education services that are on that staff's caseload.

FISCAL IMPACT:

The Nebraska Department of Education (NDE) estimates there are roughly 12,200 staff in special education related roles with an estimated pay of \$180 per day each, & each staff member will be getting four days off for professional leave.

When the 12,200 staff are multiplied by \$180 per day, that equals \$2,196,000. That amount multiplied by four days equals \$8,784,000 in total for additional special education expenses. The fiscal impact to the state for the eighty percent of allowable SPED expenditures is estimated to be at \$7,027,200.

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

LB: **589** AM: AGENCY/POLT. SUB: **Nebraska Department of Education**

REVIEWED BY: Kimberly Burns DATE: 02/07/2025 PHONE: (402) 471-4171

COMMENTS: The Nebraska Department of Education's estimate of overall fiscal impact and fiscal impact to the state from LB 589 appears accurate based on the assumptions provided.

2025

FISCAL NOTE

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

	FY 2025-26		FY 2026-27	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$7,000,000		\$7,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$7,000,000		\$7,000,000	

LB 589 adds the cost of substitute teachers to cover for staff directly related to special education programs as an allowable expenditure reimbursed by the State. Each district is required to provide four days of professional leave per year to be used by special education staff to complete essential documentation for students receiving special education services.

A potential issue with this bill would be the additional reimbursement from the State would decrease a schools property tax authority so no additional revenue would be available for a school to pay for the increased cost.

The fiscal cost is estimated to be about \$8.8 million in total with an estimated 12,200 staff in special education related roles with each getting four days of professional leave and an estimated average substitute teacher pay of \$180 per day. The State would be responsible for about \$7 million.

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.....			\$7,000,000	\$7,000,000
Capital improvements.....				
TOTAL.....			\$7,000,000	\$7,000,000