PREPARED BY: DATE PREPARED: PHONE: Bill Biven, Jr. March 07, 2025 402-471-0054

LB 523

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					
GENERAL FUNDS	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW			
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.

LB523 creates the Student Teacher Compensation Act & becomes operative on July 1, 2025.

The Nebraska Department of Education (NDE) will develop a stipend program to provide financial compensation to student teachers. NDE will provide a stipend of four thousand dollars per student-teaching semester to any student teacher that applies for the stipend.

NDE will electronically submit an annual report to the Clerk of the Legislature & the Governor detailing the implementation of the Student Teacher Compensation Act. The report will be available to the public & posted on NDE's website.

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

FISCAL IMPACT:

There is intent to appropriate funds annually to NDE to provide stipends to student teachers pursuant to the Student Teacher Compensation Act. NDE can also seek additional funding through grants, private donations, or federal programs.

NDE estimates there are 1,300 student teachers annually but not all are facing financial hardship so not all of them will qualify for the stipend. The maximum amount for the student teachers, if all qualified for the stipend, would be \$5,200,000. NDE also estimates the need for an additional FTE to administer the program. For FY2025-26, the FTE has salary/benefits expenses of \$93,946; operating expense of \$21,567; & travel expenses of \$1,354. For FY2026-27, the FTE has salary/benefits expenses of \$96,733; operating expense of \$17,297; & travel expenses of \$1,385.

The Nebraska Department of Revenue (DOR) estimates that there will be a minimal increase to General Fund revenues due to the increased income of the student teachers who received the stipend.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 523 AM: AGENCY/POLT. SUB: Department of Education						
REVIEWED B	SY: Kimberly Burns	DATE: 03/07/2025	PHONE: (402) 471-4171			
	The Department of Eds likely overstated.	ducation's assessment of fiscal	mpact from LB 523 assumes the maximum impact			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB: 523 AM: AGENCY/POLT. SUB: Department of Revenue							
REVIEWED B	3Y: Kimberly Burns	DATE: 03/07/2025	PHONE: (402) 471-4171				
	COMMENTS: The Department of Revenue's assessment of fiscal impact to General Fund revenues from LB 523 appears reasonable.						

LB: 523	AM:	AGENCY/POLT. SUB: Neb	raska Public Employees Retirement System
REVIEWED BY	: Kimberly Burns	DATE: 02/03/2025	PHONE: (402) 471-4171

LB ⁽¹⁾ 523				FISCAL NOTE
State Agency OR Po	olitical Subdivision Name: (2)	Education		
Prepared by: (3)	Lane Carr	Date Prepared: (4)	3.4.25 Phone:	402.419.3012
	ESTIMATE PROVID	DED BY STATE AGEN	CY OR POLITICAL SUBDI	VISION
	\mathbf{FY}	<u> 2025-26</u>	FY 9	2026-27
	EXPENDITURES	REVENUE	EXPENDITURES	<u>REVENUE</u>
GENERAL FUND	s \$5,316,867		\$5,315,425	
CASH FUNDS				
FEDERAL FUND	s			
OTHER FUNDS			_	
TOTAL FUNDS	\$5,316,867		\$5,315,415	

Explanation of Estimate:

Creates the Student Teacher Compensation Act and provides \$4000 to student teachers who apply. The NDE estimates around 1,300 student complete programs in Nebraska educator preparation programs each year, not all of whom would qualify for financial hardship as determined by the board. At a maximum, the total for all student teachers would be \$5,200,000.

Additionally, the NDE would need a staff member to administer the program.

BREAKI	DOWN BY MAJO	OR OBJECTS OF	EXPENDITURE	
Personal Services:				
		FPOSITIONS	2025-26	2026-27
POSITION TITLE	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	EXPENDITURE
Program Specialist I	_ 1	1	52,584	54,293
Benefits	_		41,362	42,440
Operating			21,567	17,297
Travel			1,354	1,385
Capital outlay				
Aid			5,200,000	5,200,000
Capital improvements				
TOTAL			\$5,316,867	\$5,315,415

Benefits...
Operating...
Travel...
Capital outlay...
Aid...
Capital improvements...
TOTAL...

Please complete ALL (5) blanks in the first thre	ee iines.		2020
LB ⁽¹⁾ 523				FISCAL NOTE
State Agency OR Politica	ıl Subdivision Name: ⁽²⁾	Nebraska Public E 085	mployees Retirement Sys	stems (NPERS)-
Prepared by: (3) Tere	esa Zulauf	Date Prepared: (4)	1/28/25 Phone: (5	402-471-7745
	ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICAL SUBDIVI	SION
	FY 2	2 <u>025-26</u>	FY 202	6-27
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	0	0	0	0
FEDERAL FUNDS			<u> </u>	
OTHER FUNDS			<u> </u>	
TOTAL FUNDS	0	0	0	0
Explanation of Estimat LB 523 – Adopt Stud		nsation Act.		
No fiscal impact to N	PERS Agency 085 o	perations expenditur	es.	
	DDEARDOW	N DY MA IOD ODIECT	OC OF EXPENDITION IN	
Personal Services:	<u>BKEAKDOW</u>	<u>n by majuk ubject</u>	S OF EXPENDITURE	
POSITION T		MBER OF POSITIONS 25-26 26-27	S 2025-26 <u>EXPENDITURES</u>	2026-27 <u>EXPENDITURES</u>

LB 0523 Fiscal Note 2025

	State Agency Estimate							
State Agency Name: Department of	Revenue		Date Due LFO:					
Approved by: James R. Kamm		Date Prepared:	03/06/2025		Phone: 471-5896			
	FY 2025	<u>5-2026</u>	FY 202	<u>6-2027</u>	FY 202	<u>7-2028</u>		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		Minimal		Minimal		Minimal		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		Minimal		Minimal		Minimal		

LB 523 establishes the Student Teacher Compensation Act (Act). The Act authorizes the State Department of Education (Education) to develop a stipend program to provide compensation to student teachers. The \$4,000 stipend would be provided per student teaching semester to any student teacher. The student teacher would complete an application for Education that includes their name, name of accredited teacher education program enrolled, the participating school, a demonstration of financial hardship determined by Education.

Terms defined in the Act include accredited teacher education program, participating school, and student teacher.

Education must submit an annual report to the Clerk of Legislature and the Governor that includes number of student teachers receiving stipend, distribution of geographic area and subject matter, feedback from participants and schools regarding effectiveness of the Act, and report must not identify any individual person or school providing feedback. Act gives authority to Education to adopt and promulgate rules and regulations to carry out the Act.

It is estimated that this bill will have a positive, but minimal, increase to the general fund revenues.

It is estimated that this bill will have no cost to the Department of Revenue to implement this bill.

This bill contains an emergency clause and becomes law upon enactment.

Major Objects of Expenditure								
Class Code	Classification Title	25-26 <u>FTE</u>	26-27 <u>FTE</u>	27-28 <u>FTE</u>	25-26 Expenditures	26-27 Expenditures	27-28 Expenditures	
Benefits Operating Costs	Benefits							
Travel	Travel							
Capital Improvemen	ts							