

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	SEE BELOW		SEE BELOW	
CASH FUNDS	SEE BELOW		SEE BELOW	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	SEE BELOW		SEE BELOW	

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

LB598 amends several sections to provide funding to school districts to cover extraordinary increases in Limited English Proficiency (LEP) student expenditures; to change the provisions relating to the elementary site allowance & certification dates under the Tax Equity & Educational Opportunities Support Act (TEEOSA); to change the eligible uses of the Education Future Fund (EFF); to change the provisions relating to reimbursement for special education programs & support services & also provide additional funding to school districts for costs attributable to students with a 504 plan.

On or before January 15 of each school year, a school district with expected expenditures for LEP students that total at least fifty thousand dollars annually or one-half percent or more of that district's annual budget, whichever is greater, can submit an application to the Nebraska Department of Education (NDE) for a payment from the EFF to cover an extraordinary increase in LEP student expenditures.

An elementary attendance site that provides at least sixty minutes of planning time per school day to its elementary school teachers will qualify for an additional funding allowance as part of the elementary site allowance equal to one hundred percent of the statewide average general fund operating expenditures per formula student multiplied by the ratio of the fall membership attributed to the elementary attendance site divided by eight.

The allowable uses for the EFF is expanded to allow funding for school districts with extraordinary expenditures for limited English proficiency students to allow school districts with such costs to better meet the needs of all students.

Starting with the 2025-26 school year & each school year thereafter, NDE will also reimburse each district or approved cooperative for additional costs attributable to students receiving services under a plan pursuant to the requirements of section 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794, as such section existed on January 1, 2025.

FISCAL IMPACT:

NDE estimates the need for \$25,000 to develop a collection & payment system for the extraordinary LEP payments.

The change in the elementary attendance site is factored in the calculation of TEEOSA. There would be an anticipated change, but that cannot be determined at this time.

There would be a fiscal impact to the state for the eighty percent of allowable SPED expenditures with the changes concerning 504 plans & any additional expenses that come from those changes.

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

LB: 598	AM:	AGENCY/POLT. SUB: Nebraska Department of Education	
REVIEWED BY: Kimberly Burns	DATE: 02/07/2025	PHONE: (402) 471-4171	
COMMENTS: No basis to disagree with the Nebraska Department of Education's explanation of potential fiscal impact to the agency resulting from LB 598.			

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

2025

LB⁽¹⁾ 598

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 2/6/25 Phone: ⁽⁵⁾ 402-471-4320

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 598 creates a funding option for districts that are experiencing significant increases in expenditures for Limited English Proficiency (LEP) students. Payment for the extra-ordinary LEP expenditures is to come out of the Education Future Fund and be paid to the districts by January 31st. The impact of the additional LEP funding is hard to determine since budgeted LEP expenditures are not known and the amount of aid available for the extra-ordinary LEP expenditure payments is not specified. This is a completely new source of possible funds for LEP related expenditures which is different than the extra-ordinary SPED payments which are advances of funds that are reduced from the reimbursement the following year. Although the extra-ordinary SPED collection created two years ago has only been used once in two years this funding could be different since it is additional funding for school districts that qualify. NDE would need \$25,000 to develop a collection and payment system for the extra-ordinary LEP payments.

Additionally, this bill adds formula need to districts through the elementary site allowance if the district provided 60 minutes of planning time per school day for elementary school teachers. The elementary site allowance change would increase the elementary site allowance significantly which would cause a reduction in basic funding and a reduction in the total amount of TEEOSA aid. The amount of the decrease can't be determined at this time since it's unknown what districts would meet the 60 minutes of planning time requirement to be eligible for the additional elementary site allowance need.

Last, this bill requires the State to provide reimbursement to school districts for additional costs related to students receiving services under section 504 of the federal Rehabilitation Act. The reimbursement is required to be at the same rate as the special education reimbursement rate and provided in addition to special education reimbursement. NDE would incur costs associated with the build out of the data collection of 504 students as well as staff time to do this work. Additionally, there would also be the cost associated with NDE staff to support districts in their understanding of the new requirements. Then there would be the cost to the state to reimburse districts for accommodations and supports provided under Section 504. In 2023 – 24, 9432 students were reported as being on 504 plans. It would be anticipated that this number would increase once a funding mechanism was provided as several students could fall under the Section 504 requirements that are not captured in the data collection at this time.

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.....				
Capital improvements.....				
TOTAL.....				