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 DATE PREPARED: January 31, 2022
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LB 1128

Revision: 01

Revised for clarification.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	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.

LB1128 adopts the Student Loan Repayment Assistance for Teachers Act and provides an income tax deduction for full-time public school teachers.

The Nebraska Department of Education (NDE) will accept applications no later than April 1, 2023 and then no later than April 1 each year thereafter. Teachers will receive \$6,000 of repayment assistance per year with a maximum amount of \$30,000 over five years. The repayment will be paid directly to the holder of the student loan. Any assistance received from this program will then be subtracted from the teacher's Federal Adjusted Gross Income (AGI), for the amount that is included in their Federal AGI.

There is intent stated to appropriate \$5,000,000 annually starting in FY2022-23 to NDE for this program.

EXPENDITURES:

No funding source is stated for the \$5,000,000 being appropriated, and in such case, we assume the appropriation is from the General Fund.

NDE estimates the need for a new FTE to implement, monitor, & evaluate the Student Loan Repayment Assistance for Teachers Act program. The FTE will have a salary & benefits expense of \$79,237, & operating expenses of \$5,010 for FY 2022-23. The salary & benefits expense increase by 3.64% to \$82,301, & operating expenses stay the same at \$5,010 for FY 2023-24.

REVENUE (REVISED):

The student loan repayment assistance received by the teacher results in a gain in tax revenue and the deduction results in a loss; creating a Net Zero effect for the General Fund.

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2022

LB⁽¹⁾ 1128

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 1.20.22 Phone: ⁽⁵⁾ 4024193012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$5,000,000</u>	<u> </u>	<u>\$5,000,000</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>\$5,000,000</u>	<u> </u>	<u>\$5,000,000</u>	<u> </u>

Explanation of Estimate:

The bill would require the NDE to create and implement a program to support a new student loan repayment program for teachers. Implementing, monitoring, and evaluating the program would require the NDE to employ a new FTE.

The bill intends to appropriate \$5 million to carry out the Student Loan Repayment for Teachers Act.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Grant Specialist	<u>1</u>	<u> </u>	<u>44,769</u>	<u>46,559</u>
Benefits.....			<u>34,468</u>	<u>35,742</u>
Operating.....			<u>5,010</u>	<u>5,010</u>
Travel.....				
Capital outlay.....				
Aid.....			<u>\$4,915,753</u>	<u>\$4,912,689</u>
Capital improvements.....				
TOTAL.....			<u>\$5,000,000</u>	<u>\$5,000,000</u>