

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

Revised to reflect agency response

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$5,192,007		\$5,087,311	
CASH FUNDS		\$250,000		\$250,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$5,192,007</b>	<b>\$250,000</b>	<b>\$5,087,311</b>	<b>\$250,000</b>

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

LB1218 amends & revises several sections concerning the requirement of a test showing basic skills or content knowledge & updates the fee structure for obtaining teaching certificates and endorsements, with a portion of the new fee being allocated to the Professional Practices Commission, through the Nebraska Department of Education (NDE).

Starting 8/1/22, it expands the Attracting Excellence to Teaching Program to also provide \$1,000 of loan forgiveness if a pre-service teacher intern meets the requirements as prescribed.

**REVENUE:**

NDE estimates an annual revenue increase of \$250,000 due to the increased fee structure. NDE also estimates that \$48,000 of that new revenue amount will be allocated to the Professional Practices Commission.

AM2213 creates the Teach in Nebraska Today Act to establish a student loan assistance & repayment program to attract individuals to the teaching profession who have expressed an interest in teaching & to support the employment of those individuals as classroom teachers.

Student loan assistance & repayments will not exceed \$5,000,000 a year. Eligible applicants may apply for repayment assistance of \$5,000 per year for up to five total years in an eight-year timeframe.

Applications for student loan repayment assistance must be submitted no later than June 10, 2023, & no later than June 10 of each year thereafter, on a form developed by NDE. NDE will approve or deny each application & will notify each applicant of such determination no later than September 10, 2023, & no later than September 10 of each year thereafter.

**EXPENDITURES:**

NDE estimates the need for an additional FTE to implement, monitor, & evaluate the program. For FY2022-23, the FTE's salary/benefits will be \$79,237, & operating expenses are estimated at \$5,010. For FY2023-24, the FTE's salary/benefits will increase by 3.64% to \$82,301, & operating expenses are estimated at \$5,010.

The Nebraska Department of Revenue estimates an increase in operating expenses by \$107,760 to pay the Office of the Chief Information Officer (OCIO) to accomplish the following:

- add a line to the Schedule I
- add a line to the NebFile for Individuals
- uploading a file from NDE
- add two new schedules

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

LB: 1218 AM: 2213 AGENCY/POLT. SUB: Nebraska Department of Education

REVIEWED BY: Gary Bush DATE: 3/28/22 PHONE: (402) 471-4161

COMMENTS: Disagree with the agency that a new position would be needed. The bill states that an outside consultant would be used to manage the provisions of the amendment. There would be a cost of the outside consultant. That cost is unknown as the agency failed to identify a cost.



DOR assumes there will be an appropriation from the General Fund of \$5 million for FY 23-24 and FY24-25 for the program. LB 1218 AM 2213 AM 2751 would result in an increase in federal AGI for eligible applicants who receive funds. Under full compliance, the increase in revenues generated by the increase in AGI, from funds granted to applicants, would be offset by the deduction of AGI proposed in the bill.

LB 1218 AM 2213 AM 2751 will require a one-time programming charge of \$107,760 paid to the OCIO for the following: adding a line to the Schedule I, adding a line to NebFile for Individuals, uploading a file from DOE and adding two new schedules.

LB 1218 AM 2213 AM 2751 becomes operative 3 months after adjournment.

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

**2022**

**LB<sup>(1)</sup> 1218, AM2284, AM2213**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Education

Prepared by: <sup>(3)</sup> Lane Carr Date Prepared: <sup>(4)</sup> 1.28.22, 3.21.22 Phone: <sup>(5)</sup> 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>\$5,084,247</u>		<u>\$5,087,311</u>	
CASH FUNDS		<u>\$250,000</u>		<u>\$250,000</u>
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u><u>\$5,084,247</u></u>	<u><u>\$250,000</u></u>	<u><u>\$5,087,311</u></u>	<u><u>\$250,000</u></u>

**Explanation of Estimate:**

There would be no fiscal impact for the changes proposed in LB1218 for changes to the basic skills requirement.

LB1218 provides a ceiling for certification fees. For additional endorsements, the fee would be increased from \$40 to \$55. Certificate fees would be raised from \$55 to \$75, and for non-public schools from \$40 to \$55. Raises contribution to Professional Practices Commission from \$13 to \$17. The commissioner has authority to set at these rates or below. If the commissioner set fees to the maximums proposed by LB1218, an additional \$250,000 is estimated in revenue. See calculations below:

- 11,000 public school certificates x \$20 = \$220,000
- 1,000 non-public school x \$15 = \$15,000
- 1,000 added endorsements x \$15 = \$15,000

Out of the \$250,000 of additional fees, \$48,000 would be allocated to the Professional Practices Commission per LB1218.

The bill also expands eligibility requirements for the Attracting Excellence to Teaching Program. This addition will incur no further costs to the NDE.

AM2284 does not increase or decrease the final costs of the Education Committee amendment, AM2213 to LB1218, which stated the following:

AM 2213 establishes the Teach in Nebraska Today Act, and creates a student loan assistance and repayment program. Implementing, monitoring, and evaluating the program outlined in AM2213 would require the NDE to employ a new FTE.

**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>1</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>\$5,000,000</u>	<u>\$5,000,000</u>
Capital improvements.....		
<b>TOTAL</b> .....	<u>\$5,084,247</u>	<u>\$5,087,311</u>