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 DATE PREPARED: February 15, 2024
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Revision: 02

Revised to reflect AM66

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

AM66 makes technical changes to §79-10,137; §79-10,138; & §79-10,139 concerning the terminology of qualified public & private schools/districts.

LB285 amends §79-10,137; §79-10,138; & §79-10,139 & creates the School Community Eligibility Provision Maximization Act.

A qualified public school will have an Identified Student Percent (ISP) of high-poverty students that is greater than or equal to fifty percent will operate under the act to maximize the federal reimbursement for eligible breakfasts & lunches. The Nebraska Department of Education (NDE) can grant a waiver to a school district if they are able to demonstrate that the act is not financially viable for their district. NDE will determine the length of time of the waiver. NDE will provide technical assistance to the district's that are granted waivers to support the district's adoption of the act in future years.

EXPENDITURES:

Poverty students are a factor within the Tax Equity & Educational Opportunities Support Act (TEEOSA) calculation so there could be an impact, but that impact cannot be determined at this time. Impact will vary based on number of schools waiving the requirements. NDE estimates total impact could be up to \$1.2 million if all eligible schools participated.

There may be additional expenses to the school districts to implement the requirements of this bill but those expenses cannot be determined at this time.

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

2023

LB⁽¹⁾ 285 AM66

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 2/15/24 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

The bill requires schools that have an Identified Student Percentage (ISP, which is the percentage of enrolled students who are directly certified as eligible for Free meals) of 50% or more to participate in the USDA's Community Eligibility Provision.

For schools with an ISP value of 50%, the school would receive federal reimbursement at the Free rate for 80% of the meals served to students, and federal reimbursement at the Paid rate for 20% of the meals served to students. The school would be responsible for making up the difference between the Paid and Free reimbursement rates (approximately \$1.76 per breakfast and \$3.41 per lunch) on the meals reimbursed at the Paid rate. For ISP values greater than 50%, the Free claiming percentage increases while the Paid claiming percentage decreases.

School Districts some school districts may have increased costs for meals if their ISP % is less than 62.5%. The change to free lunch counts as a result of the CEP designation would impact the distribution of TEEOSA but have minimal impact on the total amount of TEEOSA to be paid by the State. When modeled using the 2024/25 TEEOSA info updated to include all eligible schools as CEP schools the change resulted in a reduction of TEEOSA \$1.2 million. Actual amount of impact cannot be determined at this time since it is unknown what schools would waive the requirement.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24 EXPENDITURES</u>	<u>2024-25 EXPENDITURES</u>
	<u>23-24</u>	<u>24-25</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____