

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$10,121,566		\$10,122,036	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$10,121,566</b>		<b>\$10,122,036</b>	

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

LB385 creates the Nebraska Teacher Recruitment & Retention Act to provide financial incentives to recruit & retain teachers in Nebraska’s classrooms.

Teachers can apply to the Nebraska Department of Education (NDE) for a grant. NDE will not prioritize grants based upon the school where the teacher teaches. There will be four different types of grants available for the teachers to apply for:

1. A recruitment grant if:
  - a. The teacher has completed their first complete school year of full-time employment as a teacher at a Nebraska school in school years 2023-24, 2024-25, 2025-26, or 2026-27
2. A retention two grant if:
  - a. The teacher has completed their second complete school year of full-time employment as a teacher at a Nebraska school in school years 2023-24, 2024-25, 2025-26, 2026-27
3. A retention three grant if:
  - a. The teacher has completed their third complete school year of full-time employment as a teacher at a Nebraska school in school years 2023-24, 2024-25, 2025-26, or 2026-27
4. A high-need retention grant if:
  - a. The teacher completes a certification in special education, mathematics, science, technology, or dual credit & completes a school year of full-time employment as a teacher at a Nebraska school in school years 2024-25, 2025-26, or 2026-27

The Nebraska Teacher Recruitment & Retention Act terminates on January 1, 2028.

**TECHNICAL NOTE:**

There is no clarification as to if these grants are only available to public school teachers or if they will also be available to non-public school teachers.

**EXPENITURES:**

The bill states the intent to appropriate ten million dollars from the General Fund to distribute two thousand grants of five thousand dollars each to teachers who apply & meet the requirements of the act.

NDE estimates the need to add an additional FTE to oversee the implementation & distribution of the act. For FY2023-24, the new FTE will have a salary/benefits expense of \$100,741; operating expenses of \$19,562; & travel expenses of \$1,263. For FY2024-25, the salary/benefits increase by 3% to \$103,763; the operating expense are \$15,421; & the travel expenses are \$1,301.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	385 (Revised)	AM:	AGENCY/POLT. SUB: Nebraska Department of Education		
REVIEWED BY:	Gary Bush	DATE:	1/25/23	PHONE:	(402) 471-4161
COMMENTS: Agree that the bill would provide \$10 million for grants to teachers. However, the bill is does not provide for administrative costs to come from the amount provided for grants. Therefore, the administrative costs would be in addition to the \$10 million for grants. The grants would be available to all teachers, public and private.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	385	AM:	AGENCY/POLT. SUB Nebraska Public Employees Retirement Systems		
REVIEWED BY:	Gary Bush	DATE:	1/25/23	PHONE:	(402) 471-4161
COMMENTS: Agree the agency that there would be no fiscal impact to the state or the school employees retirement system.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	385	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue		
REVIEWED BY:	Gary Bush	DATE:	1/26/23	PHONE:	(402) 471-4161
COMMENTS: Agree with the agency on the fiscal impact of the bill. Technical Note: The amounts shows for expenditures and revenues would occur for a different agency. Additionally, it is unlikely that all funds made available would be paid out in the first year.					

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

**2023**

**LB<sup>(1)</sup> 385 REVISION 2**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Lane Carr Date Prepared: <sup>(4)</sup> 1.17.23 Phone: <sup>(5)</sup> 4024193012

**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	<u>\$10,121,566</u>	<u>                    </u>	<u>\$10,122,036</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>
<b>TOTAL FUNDS</b>	<u><u>\$10,121,566</u></u>	<u><u>0</u></u>	<u><u>\$10,122,036</u></u>	<u><u>0</u></u>

**Explanation of Estimate:**

LB285 would create a new grant program aimed at recruiting and retaining educators. The NDE would need a staff member dedicated directly to the implementation of this program and/or would require authority to contract with a third party to manage the program.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>Administrative Specialist II</u>	<u>1</u>	<u>1</u>	<u>\$61,491</u>	<u>\$65,180</u>
<u>Benefits.....</u>			<u>\$39,250</u>	<u>\$40,134</u>
<u>Operating.....</u>			<u>\$19,562</u>	<u>\$15,421</u>
<u>Travel.....</u>			<u>\$1,263</u>	<u>\$1,301</u>
<u>Capital outlay.....</u>				
<u>Aid.....</u>			<u>\$10,000,000</u>	<u>\$10,000,000</u>
<u>Capital improvements.....</u>				
<b>TOTAL.....</b>			<u><u>\$10,121,566</u></u>	<u><u>\$10,122,036</u></u>

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

**2023**

**LB<sup>(1)</sup> 385**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Employees Retirement Systems (NPERS)-085

Prepared by: <sup>(3)</sup> Teresa Zulauf Date Prepared: <sup>(4)</sup> 1/23/2023 Phone: <sup>(5)</sup> 402-471-7745

**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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

LB 385 is a grant program managed by the Nebraska Department of Education.

The payment of the grant does not appear to be processed through the school district's payroll. The payment does not appear to be paid as wages or salaries.

No fiscal impact to NPERS Agency 085 operations expenditures.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

**State Agency Estimate**

State Agency Name: Department of Revenue

Date Due LFO:

Approved by: Glen White

Date Prepared: 01/26/2023

Phone: 471-5896

	FY 2023-2024		FY 2024-2025		FY 2025-2026	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$10,000,000	Minimal	\$0	Minimal	\$0	Minimal
Cash Funds		\$10,000,000				
Federal Funds						
Other Funds						
Total Funds	\$10,000,000	\$10,000,000	\$0	Minimal	\$0	Minimal

LB 385 creates the Nebraska Teacher Recruitment and Retention Act (Act).

The Act provides financial incentives to recruit and retain teachers in Nebraska classrooms.

Individual teachers may apply to the State Department of Education (Department) for a \$5 thousand grant if the teacher meets the eligibility requirements. It is the intent of the legislature to appropriate a \$10 million from the General Fund to the Act. The Act terminates on January 1, 2028. The Department can't prioritize a grant based upon the school where the applicant teaches.

The grant for teachers will be included in federal adjusted gross income which increase Nebraska taxable income. However, the expected increase in individual income tax receipts is minimal.

The State Board of Education may adopt and promulgate rules and regulations to carry out the Act.

It is estimated that LB 385 will have the following impact:

Fiscal Year	General Fund Expenditures	Nebraska Teacher Recruitment and Retention Act
FY 2023-24	\$ 10,000,000	\$ 10,000,000

It is estimated there will be minimal costs to the Department of Revenue to implement this bill.

The operative date for this bill is three months after adjournment.

**Major Objects of Expenditure**

Class Code	Classification Title	23-24 FTE	24-25 FTE	25-26 FTE	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
	Benefits.....						
	Operating Costs.....						
	Travel.....						
	Capital Outlay.....						
	Capital Improvements.....						
	<b>Total.....</b>						