

PREPARED BY: Bill Biven, Jr.
 DATE PREPARED: March 19, 2024
 PHONE: 402-471-0054

LB 635

Revision: 01

Revised to reflect updated fiscal impact.

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	\$49,734		\$51,226	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$49,734		\$51,226	

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

LB635 provides powers & duties to school districts, schools, & the Nebraska Library Commission relating to an educational resource database provided to k-12 students.

A school district, a school, or the Nebraska Library Commission (NLC) can offer one or more educational research databases to students in kindergarten through grade twelve only if the vendor or provider of the educational research database verifies that the database complies with & will continue to comply with the provisions set in LB635.

A school district or school will provide the account credential of each student in kindergarten through grade twelve to the student's parent or guardian & allow the parent or guardian access to all materials that are accessible to the student.

No later than December 1 of each year, the NLC & the Nebraska Department of Education (NDE) will electronically submit to the Governor & to the Education Committee of the Legislature a comprehensive written report on any noncompliance & on any incidental violations.

EXPENDITURES:

NLC estimates that they will need to add two new statewide database subscriptions to meet the provisions of LB635. The subscriptions have an estimated expense of \$49,734 for FY24-25 & \$51,226 for FY25-26.

NDE does not estimate that they will incur any expenses but believes that there could be significant upfront costs associated with providing parent accounts & any litigation that may occur. That impact cannot be determined at this time.

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

2024

LB⁽¹⁾ 635

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 3.18.24 Phone: ⁽⁵⁾ 402.419.3012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

LB635 would require all public, private, denominational, or parochial schools to ensure educational vendors and resources filter or block access to materials considered to be obscene to minors. If a vendor or provider fails to do so, such failure will be considered a breach of contract.

The bill requires NDE to submit a report to the legislature, though there is no requirement for districts or systems to submit any sort of data to the NDE under the bill.

Additionally, fiscal impact could be significant for districts and systems if parent accounts are to be provided in addition to student accounts for materials, and the potential for any litigation pertaining to contract breaches.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

