

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	SEE BELOW		SEE BELOW	
CASH FUNDS	SEE BELOW		SEE BELOW	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	SEE BELOW		SEE BELOW	

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

LB653 amends several sections to change the provisions relating to:

- applications, capacity, & reports
- provide for reimbursement for certain students under the enrollment option program
- change authorized uses of the Education Future Fund (EFF)
- change provisions relating to reimbursement for special education programs & support services

Regardless of capacity for special education services, the number of applications made by students with an individualized education program (IEP) under the federal Individuals with Disabilities Education Act, 20 U.S.C. 1400 et seq., which are denied by that school district cannot exceed sixteen percent of the total enrollment option applications denied by that school district during that school year.

For a school district that accepts enrollment option applications on a school building by school building basis that receives an application for a school building that is at capacity for purposes of their enrollment option program will notify the parent or guardian that submitted the application that there are other school buildings in that same district that are not at capacity & are available to the student for purposes of the enrollment option program.

Any option school district that is not a member of a learning community will automatically accept as an option student, the siblings of the option students that apply to that same school district. Any option school district that is in a learning community will give first priority for enrollment to, & automatically accept regardless of capacity, siblings of the option students enrolled in the option school district.

A district that receives an incomplete application will notify the applicant within ten business days after receipt of the incomplete application that the application is incomplete & will be automatically rejected if not corrected.

Beginning July 1, 2024, & on or before July 1 of each year thereafter, each district will provide to the Nebraska Department of Education (NDE) information prescribed by the Commissioner of Education relating to applications that are rejected by the option school district & all applications related to students with an IEP.

On or before October 15 of each school year, a district that accepts an application for an option student with an IEP under the federal Individuals with Disabilities Education Act, 20 U.S.C. 1400 et seq., with expected costs for education & support services of that student that are at least five times greater than the adjusted average per pupil cost of the preceding year, may apply to NDE for a payment from the Education Future Fund to cover those expenses. The application will include detailed expected costs for providing education & support services to that student.

For each district that received a payment pursuant to §79-246 in the school year for which the special education expenditures were reimbursed, an amount equal to the payment made will be subtracted from the reimbursement calculated & that amount will be transferred into the EFF.

FISCAL IMPACT:

NDE estimates the need for \$25,000 to develop a system to collect data related to the additional payment if students with IEP's have costs in excess of five times the per pupil cost for that district.

Enrollment option is a factor in the calculation of the Tax Equity & Educational Opportunities Support Act (TEEOSA) & those changes cannot be determined at this time.

The fiscal impact to the state for the eighty percent of allowable SPED expenditures cannot be determined at this time.

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

LB: **653** AM: AGENCY/POLT. SUB: **Nebraska Department of Education**

REVIEWED BY: Kimberly Burns DATE: 02/07/2025 PHONE: (402) 471-4171

COMMENTS: No basis to disagree with the Nebraska Department of Education's estimate of fiscal impact to the agency resulting from LB 653.

Operating.....	\$25.000	
Travel.....		
Capital outlay.....		
Aid.....		
Capital improvements.....		
TOTAL	\$25.000	