

# FISCAL NOTE

**Bill #:** HB0140

**Title:** Loan repayment assistance for teachers  
With certain certifications

**Primary  
Sponsor:** Gay Ann Masolo

**Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2002 Difference</u></b>	<b><u>FY2003 Difference</u></b>
<b>Expenditures:</b>		
General Fund	353,948	682,241
State Special Revenue	353,948	682,241
<b>Revenue:</b>		
General Fund	0	0
State Special Revenue	353,948	682,241
<b>Net Impact on General Fund Balance:</b>	<b>(\$353,948)</b>	<b>(\$682,241)</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact	X		Technical Concerns
X		Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

## Fiscal Analysis

### ASSUMPTIONS:

1. Loan repayment assistance will be provided annually, for a maximum of four years, to a teacher who is newly employed as a full-time employee in a Montana public school or special education cooperative and who is teaching in a certification or endorsement area that has been identified by the board of public education as a critical teacher shortage area.
2. The annual repayment assistance to an individual teacher may not exceed \$3,000.

3. The Governor's Task Force on Teacher Salaries/Teacher Shortages estimates that 110 teacher candidates will be offered and accept a job in a high demand/low supply area Montana's public school system (as defined by the Board of Public Instruction) and there by be eligible to apply for a partial college loan repayment not to exceed \$3,000 per year for up to four years of continuous employment in the high demand/low supply school.
4. The total amount of loan repayment may not exceed \$12,000 for an individual teacher.
5. The Governor's Task Force estimated that the cost of loan forgiveness payments to eligible teachers would total \$990,000 over the biennium.
6. OPI will need 0.50 FTE (Grade 15) to operate the loan repayment program.

FISCAL IMPACT:

	FY2002	FY2003
	<u>Difference</u>	<u>Difference</u>
FTE	0.50	0.50

Expenditures:

Personal Services	23,948	22,241
Grants	330,000	660,000
Transfers	<u>353,948</u>	<u>682,241</u>
TOTAL	\$707,896	\$1,364,482

Funding:

General Fund (01) (Transfer Out)	353,948	682,241
State Special Revenue (02)	<u>353,948</u>	<u>682,241</u>
Total	\$707,896	\$1,364,482

Revenue:

General Fund (01)	0	0
State Special Revenue (02) (Transfer In)	\$353,948	\$353,948

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(\$353,948)	(\$682,241)
State Special (02)	0	0

LONG RANGE IMPACTS:

When fully implemented, the loan forgiveness program will cost \$1,320,000 of general fund annually. This is based upon 440 teachers receiving \$3,000 in repayment assistance.

TECHNICAL NOTES:

1. Section 3 notates that funding for the loan repayment assistance is an obligation of the state. The bill requires an appropriation (general fund transfer) to the teacher loan repayment state special revenue account.
  - a. The bill needs to create a state special revenue account for loan repayment assistance; or
  - b. it may be more practical to fund the assistance program directly out of the general fund, and not utilize a state special revenue account.