



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0810	Title:	Fund account for teacher loan forgiveness program
Primary Sponsor:	Wells, Jack	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
Expenditures:				
General Fund	\$1,750,000	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$675,000	\$675,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$1,830,465	\$83,414	\$61,551	\$32,893
Net Impact-General Fund Balance	<u>(\$1,750,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: An act creating a student loan payment account to be used for student loan payments for teachers as authorized by the legislature.

FISCAL ANALYSIS

Assumptions:

1. On July 2, 2007, there is transferred from the state general fund to the student loan payment account \$1.75 million.
2. Funds will be invested by the Board of Investments in the Short Term Investment Pool (STIP). The STIP interest rates are as follows 4.60% (FY 2008), 4.56% (FY 2009), 4.87% (FY 2010) and 4.87% (FY 2011).
3. The student loan payment account will be used for student loan payments for teachers as authorized by the legislature in FY 2010 through FY 2012.
4. The teacher loan forgiveness program funding in FY 2008 and FY 2009 of \$1.05 Million in the 2009 biennium to fund that program is contingent upon passage and approval of a teacher loan forgiveness program (SB 152) **and** the creation of a student loan payment account (HB 810). SB 152 is currently referred to the House Education Committee.

5. Students meeting requirements of teacher loan forgiveness program are eligible for 4 years of loan repayments.
6. Loan repayments are assumed to be \$3,000 per year per eligible student.
7. It is assumed funds are used for teachers who have already received awards in the 2009 biennium and will not be awarded to newly qualified teachers in this fiscal note.
8. If no additional funds are appropriated in the 2011 biennium, the number of new teachers awarded grants will be zero.
9. The following table shows the number of teachers would be served.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Teachers Served	108	225	225	225	117
Award amount	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Expenditure	\$324,000	\$675,000	\$675,000	\$675,000	\$351,000

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Grants	\$0	\$0	\$675,000	\$675,000
Transfers	\$1,750,000	\$0	\$0	\$0
TOTAL Expenditures	<u>\$1,750,000</u>	<u>\$0</u>	<u>\$675,000</u>	<u>\$675,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,750,000	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$675,000	\$675,000
TOTAL Funding of Exp.	<u>\$1,750,000</u>	<u>\$0</u>	<u>\$675,000</u>	<u>\$675,000</u>
<u>Revenues:</u>				
State Special Revenue (02)	\$1,750,000	\$0	\$0	\$0
State Spec.Rev. (02) Interest	\$80,465	\$83,414	\$61,551	\$32,893
TOTAL Revenues	<u>\$1,830,465</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,750,000)	\$0	\$0	\$0
State Special Revenue (02)	\$1,830,465	\$83,414	(\$613,449)	(\$642,107)

Technical Concern:

The bill should clarify that no newly qualified teachers are intended to be funded with these funds.

Sponsor's Initials

Date

Budget Director's Initials

Date