

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3658-01
BILL NO.: HB 1852
SUBJECT: Education, Elementary and Secondary: Teachers
TYPE: Original
DATE: April 10, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$393,181)	(\$399,069)	(\$400,874)
Total Estimated Net Effect on <u>All</u> State Funds	(\$393,181)	(\$399,069)	(\$400,874)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(\$82,000)	(\$82,000)	(\$82,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Treasurer's Office** assume the proposal would result in no fiscal impact to the agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume they would need a Supervisor (\$47,611) and a Senior Secretary (\$24,176). The **Oversight Division** has only included the Supervisor in the fiscal impact.

DESE officials also assume the following:

- (a) No guidelines have been established as to what constitutes a teacher shortage district. However, for purposes of this fiscal note, it is assumed 10% of teacher turnover would be in designated teacher shortage districts.
- (b) Based on FY 1998 data for teacher turnover, approximately 4,100 teachers will leave their position each year, for FY 2001, FY 2002 and FY 2003;
- (c) 4,100 X 10% (assumed positions in a teacher shortage district) = 410;
- (d) It is assumed 50% of the 410 replacement teachers will want to take advantage of the grants created under this bill. 410 X 50% = 205 applicants for grant money.

205 applicants X \$1,600 =	\$328,000	State portion
205 applicants X \$ 400 =	<u>\$ 82,000</u>	District portion
Total estimated annual impact:	\$410,000	for FY 2001, FY 2002 and FY 2003

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

GENERAL REVENUE FUND

Cost-Department of Elementary and Secondary Education (DESE)

Personal Service	(\$40,651)	(\$50,021)	(\$51,272)
Fringe Benefits	(\$12,500)	(\$15,381)	(\$15,766)
Expense and Equipment	(\$12,030)	(\$5,667)	(\$5,836)
Grants	<u>(\$328,000)</u>	<u>(\$328,000)</u>	<u>(\$328,000)</u>
Total <u>Cost-DESE</u>	<u>(\$393,181)</u>	<u>(\$399,069)</u>	<u>(\$400,874)</u>

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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
SCHOOL DISTRICTS			
<u>Cost-School Districts</u>			
Grants	<u>(\$82,000)</u>	<u>(\$82,000)</u>	<u>(\$82,000)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposal would create the New Public School Teacher Housing Grant Fund. The fund would be used to give one-time grants to public school teachers newly hired by a teacher shortage district and seeking to purchase homes within the teacher shortage school district.

Any teacher shortage district could elect to participate in the grant program by notifying DESE. The district would fund one-fifth of the amount necessary to provide housing grants to newly hired public school teachers in the district.

Public school teachers could apply for grants. The amount awarded to any one teacher would not exceed \$1,600 in grants funds and \$400 in district funds.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
State Treasurer's Office



Jeanne Jarrett, CPA
Director
April 10, 2000