

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1882-01  
Bill No.: HB 859  
Subject: Education, Elementary and Secondary: Teachers  
Type: Original  
Date: March 5, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$63,093 to \$467,893)	(\$72,984 to \$477,784)	(\$74,839 to \$479,639)
New Public School Teacher Housing Grant	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$63,093 to \$467,893)</b>	<b>(\$72,984 to \$477,784)</b>	<b>(\$74,839 to \$479,639)</b>

- SUBJECT TO APPROPRIATION -

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>School Districts</b>	<b>(\$0 to \$101,200)</b>	<b>(\$0 to \$101,200)</b>	<b>(\$0 to \$101,200)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume they would need a Supervisor (\$47,616) and an Administrative Assistant (\$25,812). 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 data for teacher turnover, approximately 7,187, 4,100 and 3,876 teachers left their positions each year during FY 1999, FY 1998 and FY 1997;
- (c) using a three-year average teacher turnover (15,163/3 = 5,054), then;
- (c) 5,054 X 10% (assumed positions in a teacher shortage district) = 505;
- (d) It is assumed 50% of the 505 replacement teachers will want to take advantage of the grants created under this bill. 505 X 50% = 253 applicants for grant money.

253 applicants X \$1,600 = \$404,800 State portion  
 253 applicants X \$ 400 = \$101,800 District portion  
 Total estimated annual impact: \$506,600 for FY 2002, FY 2003 and FY 2004

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
Personal Service (1 FTE)	(\$40,672)	(\$50,027)	(\$51,277)
Fringe Benefits	(\$13,556)	(\$16,674)	(\$17,091)
Expense and Equipment	<u>(\$8,865)</u>	<u>(\$6,283)</u>	<u>(\$6,471)</u>
Total <u>Cost-DESE</u>	(\$63,093)	(\$72,984)	(\$74,839)
<u>Cost - Transfers to New Public School Teacher Housing Grant Fund</u>	(\$0 to \$404,800)	(\$0 to \$404,800)	(\$0 to \$404,800)
<b>- SUBJECT TO APPROPRIATION -</b>			
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	(\$63,093 to \$467,893)	(\$72,984 to \$477,784)	(\$74,839 to \$479,639)

**NEW PUBLIC SCHOOL TEACHER HOUSING GRANT FUND**

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Income</u> - Transfers from General Revenue Fund	\$0 to \$404,800	\$0 to \$404,800	\$0 to \$404,800
<u>Costs</u> - Grants to New Teachers	(\$0 to \$404,800)	(\$0 to \$404,800)	(\$0 to \$404,800)
<b>ESTIMATED NET EFFECT ON NEW PUBLIC SCHOOL TEACHER HOUSING GRANT FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>SCHOOL DISTRICTS</b>			
<u>Cost</u> - Matching Grants	(\$0 to \$101,200)	(\$0 to \$101,200)	(\$0 to \$101,200)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>(\$0 to \$101,200)</u></b>	<b><u>(\$0 to \$101,200)</u></b>	<b><u>(\$0 to \$101,200)</u></b>

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. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is cursive and somewhat stylized, with the first name "Jeanne" being more prominent than the last name "Jarrett".

Jeanne Jarrett, CPA  
Director  
March 5, 2001