

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$500,000)		(\$500,000)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$500,000)		(\$500,000)	

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

LB 214 terminates the Master Teacher Program on July 1, 2017. The Legislature appropriated \$500,000 of general funds for the program in FY2015-16 and \$500,000 in FY2016-17. The majority (\$470,000) of the funds are allocated for aid. Aid is distributed to pay registration awards for teachers who opt to obtain the designation and a salary bonus for teachers who have the credential. The remaining \$30,000 of the general fund appropriation is provided to the State Department of Education (NDE) to administer the program.

Registration Awards and Salary Bonuses: Individuals seeking certification may apply to NDE to receive a registration award in the amount of 50% of the fees. When an individual completes the program and receives a master teacher designation, they may apply for the other half of the registration fees. Fees are currently \$1,975. The law provides for the appropriation to initially be used for registration awards. After the registration fees are reimbursed, the remainder of the appropriated funds are to be used for a \$5,000 salary bonus for teachers who have the credential. If funds are not sufficient, then salary bonuses are to be prorated.

Termination of the Program: The termination of the program will decrease annual general fund expenditures by \$500,000. The Governor’s deficit bill (LB 22) eliminates \$470,000 of aid funding for the program in the current year, FY2016-17. NDE indicates that as of January 25th, there are \$125,025 of general funds that were appropriated for the program in FY2015-16 which have been reappropriated and can be used to fund registration awards and salary bonuses in the current FY17 fiscal year. It is estimated that \$10,900 of these funds will be used for registration awards in FY17 and \$114,125 will be prorated for salary bonuses. There are currently 65 master teachers in the state who have applied for a salary bonus. Using these assumptions, the eligible teachers will each receive a prorated salary bonus of about \$1,756 in FY17.

This fiscal note assumes there be no further payouts of registration awards after the FY2016-17 fiscal year because the program is terminated. NDE indicates there are eleven individuals currently in the process of certification who would be eligible to receive the second half of the registration award, or \$15,838, upon completion of the program in FY2017-18. However, it is assumed this payment will not occur because the program is terminated. Likewise, it is assumed that no additional individuals will be allowed to apply for registration awards in the current fiscal year because it appears the funding will be terminated.

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 214	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: James Van Bruggen		DATE: 1/19/17	PHONE: (402) 471-4179
COMMENTS: Agree with the Department of Education’s estimated costs, however, the number of applicants in 2017 should be known since the application period ended on January 15 th .			

Capital improvements.....
TOTAL.....

25,712.50	9,875.00