

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 527 changes provisions of the Excellence in Teaching Act which includes the Attracting Excellence to Teaching Program and the Enhancing Excellence in Teaching Program. The teacher loan programs are funded by lottery proceeds through June 30, 2016. The bill changes the following provisions of the act.

Attracting Excellence to Teaching Program:

Termination Date: The bill eliminates language indicating that loans pursuant to the Attracting Excellence to Teaching Program terminate on June 30, 2016.

Forgiveness of Loans: Current law provides for loans to be forgiven in an amount up to \$3,000 per year of full-time teaching beginning after the first two years of teaching. Beginning in FY2016-17, loans can be forgiven beginning after the first year of teaching on a full-time basis in an amount equal to \$3,000 per year of teaching.

Enhancing Excellence in Teaching Program:

Termination Date: The bill eliminates language indicating that loans pursuant to the Enhancing Excellence to Teaching Program terminate on June 30, 2016.

Forgiveness of Loans: Current law provides for loans to be forgiven in an amount up to \$3,000 per year of full-time teaching beginning after the first two years of teaching. Beginning in FY2016-17, loans can be forgiven beginning after the first year of teaching on a full-time basis in an amount equal to \$1,500.

LB 527 also changes loan forgiveness provisions in instances where a borrower teaches in a sparse or high poverty district. Currently, these loans are forgiven beginning after the second year of teaching in an amount equal to \$6,000. The bill provides for forgiveness of loans after the first year of teaching in an amount equal to \$1,500 for the first year and \$3,000 each year thereafter.

Loan Amount: The bill increases the maximum amount of an annual loan from \$175 to \$250 per credit hour.

Excellence in Teaching Cash Fund: The bill provides for an equal allocation between the two programs of any cash funds in excess of \$1.2 million.

LB 527 has no fiscal impact in terms of increased or decreased funding for the act because the total amount of funds provided for teacher loans is unchanged by the bill. It will have a fiscal impact in terms of the amount of loans provided to particular individuals as well as the forgiveness of loans for individuals. It is possible that more loans will be forgiven in the future because teachers will be able to apply for forgiveness of a loan one year earlier than is currently allowed.

NOTE: At this point in time in the appropriations process there is no funding for the Excellence in Teaching Act after June 30, 2016 when lottery funding is terminated.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:527	AM:	AGENCY/POLT. Department of Education
REVIEWED BY: James Van Bruggen	DATE: 1/30/2015	PHONE: 471-4179
COMMENTS: The Excellence to Teaching Act is an existing program and the operational costs should remain the same.		

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 527

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Education

Prepared by: ⁽³⁾ Sharon Katt

Date Prepared: ⁽⁴⁾ 01/28/2015

Phone: ⁽⁵⁾ 1-2405

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>_____</u>	<u>0</u>	<u>_____</u>

Explanation of Estimate:

LB 527 makes statutory changes requested by NDE staff working with the current Excellence to Teaching Act and does not address any funding requirements. NDE requested General fund for the costs associated with 1.0 FTE and operating expenses in the Department's budget request, along with \$1.2M for distribution under the Act.

This would require a Rule 25 update. The costs would be funded by the NDE budget request.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>