

Fiscal Estimate Narratives

DPI 10/4/01

LRB Number 01-2076/1	Introduction Number SB-262	Estimate Type Original
Subject		
Loan program for teachers of math, science and special education in MPS and low income school districts		

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a loan program, to be administered by the department of public instruction (DPI), to defray the educational costs of Wisconsin residents who are enrolled at least half-time in a degree-granting program in Wisconsin or an adjacent state that prepares them to be licensed as teachers of mathematics, science or special education. The department is required to give preference to persons who are likely to work in the Milwaukee Public Schools (MPS), or in a district in which at least 50% of the pupils enrolled qualify for a free or reduced-lunch. The maximum loan that a person may receive during any fiscal year may not exceed \$10,000.

The Wisconsin Educator Supply/Demand Project, 1999, reported that 353 Wisconsin newly hired educators without experience were hired to teach mathematics, science and special education in Wisconsin public schools in 1998-99. In the same year, 73 out-of-state mathematics, science and special education educators without experience were also hired. The department estimates that 100 of these teachers were hired in MPS. In 1998-99, twelve school districts had 50% of the pupils enrolled qualify for a free or reduced-price lunch. If each of these districts hired one new mathematics, science or special education teacher under this bill, the number of affected teachers would have been 112 in 1998-99 (100 in MPS + 12 in 50% free and reduced lunch districts).

It is unknown how many students are enrolled at least half-time in a degree-granting program in Wisconsin, or in an adjacent state that prepares them to be licensed as teachers of mathematics, science or special education. However, if this bill had been in effect in 1998-99 and all newly hired mathematics, science and special education teachers had borrowed the maximum amount allowed, the total maximum amount loaned would have been \$4,260,000 (353 in-state + 73 out-of-state X \$10,000). If only those teachers hired in Milwaukee and districts with 50% free and reduced pupils were affected, the total amount loaned would have been \$1,120,000 (112 X \$10,000). If loans were made for less than \$10,000 each, these totals would be proportionally lowered.

The bill would also create a loan repayment appropriation [20.255 (1)(gz)] at the department. However, it is unknown how many, if any, of these loans and the dollar amount of the loans would be forgiven annually. Therefore, revenues generated from loan repayment are indeterminate.

The department could not discharge the responsibilities of this program with existing staff, and would need to hire a 0.50 FTE Financial Specialist 3 at an annual cost of \$19,100 to manage this program. One-time costs to support this position are estimated to be \$3,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$3,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$18,100	
(FTE Position Changes)		(0.5 FTE)	
State Operations - Other Costs		1,000	
Local Assistance			
Aids to Individuals or Organizations		4,260,000	
TOTAL State Costs by Category		\$4,279,100	\$
B. State Costs by Source of Funds			
GPR		4,279,100	
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$4,279,100	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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