



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0151.02 (005): Revise educational laws pertaining to recruitment and retention and MSDB**

Primary Sponsor: Connie Keogh Status: As Amended in Senate Committee

- Included in the Executive Budget Needs to be included in HB 2 Significant Local Gov Impact
- Significant Long-Term Impacts Technical Concerns Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures				
General Fund (01)	\$63,132	\$96,752	\$96,312	\$99,192
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$63,132)</u>	<u>(\$96,752)</u>	<u>(\$96,312)</u>	<u>(\$99,192)</u>
General Fund Balance				

Description of fiscal impact

HB 151, as amended, changes various sections of law, making educational sign language interpreters eligible for the quality educator payment, the quality educator loan assistance program, the teacher residency program, and the TEACH Act incentives. The bill also clarifies language permitting the MSDB to transport students by school bus. The estimated state cost of HB 151 is \$0.06 million in FY 2026 and \$0.10 million in FY 2027.

FISCAL ANALYSIS

Assumptions

1. HB 151 amends 20-4-502, MCA, to include employees employed by school districts, education cooperatives, the Montana School for the Deaf and Blind (MSDB), the Montana Youth Challenge Program (MYC), or a correctional facility who "provide educational sign language interpreting for deaf and hard-of-hearing students who meet the qualifications for educational sign language interpreting established by the Board of Public Education".
2. As amended, HB 151 directs that the applicability of this act is to begin for school district budgets produced for FY 2026. There is no data available for the K-12 public school districts as the planned data collection cycle is not until fall of 2025 after FY 2026 budgets have been set. The information to permit payments will need to be collected with the next data collection cycle once there has been identification of eligible qualified staff therefore, estimates of payments to schools other than MSDB are estimated beginning in FY 2027.
3. Data for MSDB, MYC, and correctional facilities are known so will be included in this fiscal note for FY 2026 for this fiscal note for HB 151, as amended.
4. For purposes of this fiscal note, it is assumed this bill and HB 252, Create the student and teacher advancement for results and success act (STARS), is passed and approved including the coordination language in Section 7 of this bill.

- Section 1 of HB 151, as amended, includes an educational sign languages interpreter who is employed by an eligible entity in the definition of "Quality educator" to be included as a "Quality educator". The bill then allows these interpreters to be eligible for the educational loan assistance program where qualified quality educators in their first three years of teaching are eligible for \$3,000 for the first-year, \$4,000 for the second-year, or \$5,000 for the third year. MSDB determines they will have two eligible educators in FY 2026 for their second year of teaching and two in FY 2027 their third year of eligibility.

	FY 2026	FY 2027	FY 2028	FY 2029
Teacher Loan Assistance	\$4,000	\$5,000		
FTE	2	2		
MSDB - Loan assistance	\$8,000	\$10,000	\$0	\$0

- The full-time equivalent educators qualifying for the quality educator payment (20-9-327, MCA), is expanded to include educational sign language interpreters for deaf and hard-of hearing students. The interpreters must be employed by an educational entity to provide educational sign language interpreting for deaf and hard-of-hearing and must meet the qualifications for educational sign language interpreting established by the Board of Public Education. Contract interpreters and other contracted employees do not qualify.

Components	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Quality Educator	\$3,673	\$3,783	\$3,896	\$4,013	\$4,133

- For purposes of this fiscal note, there are two eligible educational interpreters employed at MSDB who will qualify for the quality educator payment in FY 2026, four in FY 2027, eight in FY 2028, and eight in FY 2029. It will be estimated two in other schools in FY 2027 and four each year FY 2028 and FY 2029.

	FY 2026	FY 2027	FY 2028	FY 2029
TEACH Act - QE Pmt	\$3,783	\$3,896	\$4,013	\$4,133
FTE	2	4	8	8
MSDB - additional QE Pmt	\$7,566	\$15,584	\$32,104	\$33,064
	FY 2026	FY 2027	FY 2028	FY 2029
TEACH Act - QE Pmt		\$3,896	\$4,013	\$4,133
FTE		2	4	4
Other Schools		\$7,792	\$16,052	\$16,532
TOTAL additional QE Pmt	\$7,566	\$23,376	\$48,156	\$49,596

- The Teacher Residency Program, defined in 20-4-702, MCA, is amended to define "school district" and "district" to mean educational entities eligible for a quality educator payment. Current law allows this program for school districts only. The amended law would include school districts, MSDB, MYC, and correctional facilities as defined in 41-5-103, MCA.
- For purposes of this fiscal note, it is estimated there would be two additional teachers qualify for funding for the Teacher Residency Program related to changes in HB 151 in each of the years FY 2027 through FY 2029.

	FY 2026	FY 2027	FY 2028	FY 2029
Teacher Residency	\$20,000	\$20,000	\$20,000	\$20,000
FTE	2	2		
MSDB - Residency	\$40,000	\$40,000	\$0	\$0
Other - Residency	\$0	\$0	\$0	\$0

10. Section 3 of HB 151 allows MSDB to transport students in school buses where current law required transportation certified by the Public Service Commission. The PSC no longer certifies carriers. This will require no additional funding as MSDB has travel funding in their budget.
11. The bill, as amended, changes the TEACH Act incentives participation to include all the entities that qualify for the quality educator payment as amended in the bill. This is a change from current law allowing only public school district to participate to now include public school districts, special education cooperatives; MSDB, educational correctional facilities, and MYC.
12. The TEACH Act incentives are for the entities with base teacher pay that is 10 times the amount of the quality educator payment to receive one additional quality educator payment for certain quality educators in their first three years of teaching. The following table represents the anticipated quality educator payment payments for the additional interpreters.

	FY 2026	FY 2027	FY 2028	FY 2029
TEACH Act - QE Pmt	\$3,783	\$3,896	\$4,013	\$4,133
FTE	2	4	8	8
MSDB - additional QE Pmt	\$7,566	\$15,584	\$32,104	\$33,064
	FY 2026	FY 2027	FY 2028	FY 2029
TEACH Act - QE Pmt		\$3,896	\$4,013	\$4,133
FTE		2	4	4
Other Schools		\$7,792	\$16,052	\$16,532
TOTAL additional QE Pmt	\$7,566	\$23,376	\$48,156	\$49,596

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Personal Services	\$0	\$0	\$0	\$0
MSDB - Quality Educator Pmt	\$7,566	\$15,584	\$32,104	\$33,064
MSDB - TEACH Act	\$7,566	\$15,584	\$32,104	\$33,064
MSDB - Teacher Residency	\$40,000	\$40,000	\$0	\$0
MSDB - Loan Assistance	\$8,000	\$10,000	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0
Other Schools - TEACH Act	\$0	\$7,792	\$16,052	\$16,532
Other Schools - Quality Educator Pmt	\$0	\$7,792	\$16,052	\$16,532
TOTAL Expenditures	<u>\$63,132</u>	<u>\$96,752</u>	<u>\$96,312</u>	<u>\$99,192</u>
Local Assistance	\$0	\$0	\$0	\$0
<u>Funding of Expenditures</u>				
General Fund (01)	\$63,132	\$96,752	\$96,312	\$99,192
TOTAL Funding of Expenditures	<u>\$63,132</u>	<u>\$96,752</u>	<u>\$96,312</u>	<u>\$99,192</u>
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	<u>(\$63,132)</u>	<u>(\$96,752)</u>	<u>(\$96,312)</u>	<u>(\$99,192)</u>

CL
Sponsor's Initials

2/22/25
Date

RO
Budget Director's Initials

2/21/2025
Date