



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0509.01: Revise the quality educator loan forgiveness program to expand eligibility

Primary Sponsor: Debo Powers

Status: As Introduced

☐ 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

| | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> | <u>FY 2028 Difference</u> | <u>FY 2029 Difference</u> |
|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Revenues | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Net Impact | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| General Fund Balance | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

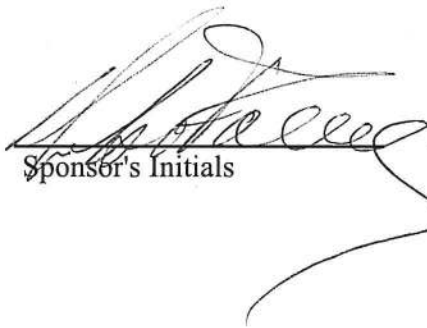

Description of fiscal impact

HB 509 expands eligibility for the Quality Educator Loan Assistance Program to all newly hired educators in Montana public schools, not just those hired in impacted schools. Funds appropriated to the Office of Public Instruction (OPI) are to be prorated to make payments if more applicants apply that the statutory rates allow. There is no state fiscal impact.

FISCAL ANALYSIS

Assumptions

1. HB 509, Section 1, removes "working at an impacted school" to allow any quality educator to be eligible for repayment of all or part of the educator's outstanding education loans.
2. Section 2 of the bill, allows newly hired quality educators to receive assistance but establishes priority for quality educators newly hired at an impacted school.
3. The bill allows the OPI to allocate remaining funds, after allocating amounts to fully fund quality educators working in impacted schools, to quality educators working in schools that are not impacted schools and prorate the funds, if necessary.
4. OPI received biennial funding of \$603,000 for the Quality Educator Loan Assistance Program in the 2025 biennium.
5. OPI allocated \$252,000 to quality educators in impacted schools in FY 2024 leaving funding of \$351,000 to allocate in FY 2025.
6. HB 509 does not require that all loan repayments be fully funded but allows for pro-ration of available funding, therefore it is assumed that OPI will fund loan repayments up to their level of appropriation and no additional fiscal impact is estimated.

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|--|----------------|--|------------------|
|  | <u>2-25-25</u> |  | <u>2/24/2025</u> |
| Sponsor's Initials | Date | Budget Director's Initials | Date |