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FISCAL IMPACT REPORT

SPONSOR Hamilton DATE TYPED 2/10/05 HB 173

SHORT TITLE Teacher Preparation Program Loans SB _____

ANALYST Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

House Bill 173 amends the Teacher Loan for Service Act. The amendment proposes to expand the definition of teacher preparation program to allow a student attending a two-year postsecondary education to qualify for loans.

Significant Issues

According to PED, the Teacher Loan for Service Program allows applicants who have agreed to teach in designated shortage areas to defray the costs incidental to a teacher preparation program. Expanding the definition would increase the applicant pool.

PERFORMANCE IMPLICATIONS

PED indicates that enactment of House Bill 173 will support the goal to increase the pool of potential teachers and increase the percent of classes being taught by “highly qualified” teachers in schools in need of improvement. In addition, it would help PED meet the requirements in the federal No Child Left Behind Act of 2001, namely that all teachers teaching in core academic subjects must be “highly qualified” by the end of 2005-2006.

FISCAL IMPLICATIONS

House Bill 173 does not contain an appropriation. The Legislative Education Study Committee recommends \$400.0 for FY06, the Legislative Finance Committee and executive recommend \$386.5. PED indicates that without increased funding the amount the CHE makes would remain the same as FY05.

ADMINISTRATIVE IMPLICATIONS

The appropriation is to PED and will be transferred to the Commission on Higher Education through a Memorandum of Understanding.

RS/lg