

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 348

SHORT TITLE: NBPTS Debt Collection Procedure

SPONSOR(S): Senator Hoyle

FISCAL IMPACT: Expenditures: Increase () Decrease ()
 Revenues: Increase (X) Decrease ()
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: General Fund (X) Highway Fund () Local Govt. ()
 Other Funds ()

BILL SUMMARY: The bills would allow the current procedures used to offset tax refunds to collect unpaid debts to the State to be applied to certain amounts owed to the Department of Public Instruction (DPI). DPI currently pays the registration fee so that about 205 qualified teachers may attend National Board for Professional Teaching Standards (NBPTS) certification programs. If a teacher attends the program at State expense but fails to complete the program, or fails to teach in North Carolina public schools for one year after becoming certified, that teacher must repay DPI for the cost of the certification. This bill would allow DPI to collect those funds through the existing tax refund offset process.

EFFECTIVE DATE: Upon ratification.

FISCAL IMPACT

	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>
REVENUES:					
GENERAL FUND					
Department of					
Public Instruction	Increase of \$2,000-\$10,000 annually				
EXPENDITURES:					
GENERAL FUND					
Department of Revenue	Increase of \$140 to \$700 annually				

ASSUMPTIONS AND METHODOLOGY: The proposed 1995-96 budget contains an appropriation of \$200,000 to fund NBPTS certification registration. Certification costs \$950 per teacher, allowing for the certification of 205 teachers. The fiscal effect of this bill would depend upon the number of teachers who fail complete training or fail to teach in North Carolina public schools for one year after certification, and refuse to repay the training costs. The program has not been in effect long enough to provide data to estimate the number of teachers who will refuse to repay certification costs. However, if it is assumed that one to five percent will fail to repay, and that their costs can be

recovered through the program, then the amount of revenues recovered would be \$2,000 to \$10,000 annually. After these amounts were collected, 7 percent of the collections would be retained by the Department of Revenue to cover the cost of administering the offset, and the remainder would go to DPI.

FISCAL RESEARCH DIVISION

733-4910

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DATE: 04/07/95

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