



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0260: Revise teacher stipends for national board certification**

Primary Sponsor: **Luke Muszkiewicz**

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)	(\$1,689)	\$4,518	\$10,947	\$17,539
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$1,689</u>	<u>(\$4,518)</u>	<u>(\$10,947)</u>	<u>(\$17,539)</u>
General Fund Balance				

Description of fiscal impact

HB 260 amends section 20-4-134, MCA, or the professional stipends for teachers certified by national board for professional teaching standards. Amendments include the change of a set value for the stipends to one that is a percent of the established Quality Educator Component payment set in section 20-9-306, MCA, and is annually increased by the inflationary requirements set under section 20-9-236, MCA. The state cost is approximately \$2,829 over the 2027 biennium.

FISCAL ANALYSIS

Assumptions

Office of Public Instruction

- HB 260 changes section 20-4-134, MCA, known as professional stipends for teachers certified by National Board for Professional Teaching (NBPT) Standards.
- A teacher who holds a current NBPT certificate currently receives a stipend of up to \$1,500. Proposed language amends this amount to 50% of the quality educator payment amount defined in 20-9-306, MCA.
- A teacher who holds a current NBPT certificate and who has an instructional assignment in a high poverty area or an impacted school, currently these teachers receive stipends for an amount up to \$2,500. The proposed language amends this amount to 85% of the quality educator payment amount defined in 20-9-306, MCA.
- Section 20-4-134(6), MCA, is further changed to shift from statutorily set static values, to the use of the inflationary adjusted quality educator component payments percentages. These changes adjust the state funding obligation.
- The amended language is summarized as follows:
 - For a teacher who holds a current NBPT certificate the state shall pay 50% of the maximum stipend amount and another 1% of the amount for each 1% of amount contributed by the school district up to the maximum state contribution of 75% of the amount.

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- b. A teacher who holds a current NBPT certificate and who has an instructional assignment in a high poverty area or an impacted school, the state shall pay 55% of the maximum stipend amount and another 2% of the amount for each 1% of the amount contributed by the teacher's school district, up to a maximum state contribution of 85% of the amount.
6. The present law inflation applied to the Quality Educator component (20-9-326, MCA) is 3.00% in FY 2026 and 3.00% in FY 2027 the component is assumed to be as follows:

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


7. According to data provided by the OPI the FY 2024 payments for NBCT include 112 teachers statewide that are entitled to stipends under NBPT, where 81 teachers qualify for state supported amounts of \$1,000 and 31 teachers qualify for state supported amounts of \$2,000.
8. For the purposes of this fiscal note, it will be assumed that 115 teachers will annually receive NBPT stipends and NBPT certificate holders will comprise 70% of the total or 81 teachers and 30% or 34 teachers will both hold a NBPT certificate and will work in an instructional assignment in a high poverty area or an impacted school. It will be further assumed that the teachers will receive the maximum of state funding for these stipends.
9. The following table outlines the estimated state cost for this bill proposal.
10. It has been determined that HB 260 would create the following requirements for funding the teacher stipends given the number of teachers currently in the program.

	Rate %	FY 2026	FY 2027	FY 2028	FY 2029
		\$3,783	\$3,896	\$4,013	\$4,133
	50%	\$1,892	\$1,948	\$2,007	\$2,067
	85%	\$3,216	\$3,312	\$3,411	\$3,513
Teacher Count					
NBPT Cert		81	81	81	81
NBPT Cert & Area		34	34	34	34
Annual Rate					
NBPT Cert Base	50.00%	\$946	\$974	\$1,003	\$1,033
NBPT Cert Maximum	75.00%	\$1,419	\$1,461	\$1,505	\$1,550
NBPT Cert & Area Base	55.00%	\$1,769	\$1,821	\$1,876	\$1,932
NBPT Cert & Area Max	85.00%	\$2,733	\$2,815	\$2,899	\$2,986
Estimated State Cost					
NBPL Cert Only		\$114,909	\$118,341	\$121,895	\$125,540
NBPT Cert & Area		\$92,929	\$95,705	\$98,579	\$101,527
TOTAL		\$207,839	\$214,046	\$220,475	\$227,067

11. The base funding currently in the OPI budget for these payments is \$209,528. This concludes that OPI will reduce the request for funding in FY 2026 by \$1,689 and increase funding by \$4,518 for FY 2027.

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Grants	\$0	\$0	\$0	\$0
National Board Teacher Stipends	(\$1,689)	\$4,518	\$10,947	\$17,539
TOTAL Expenditures	(\$1,689)	\$4,518	\$10,947	\$17,539
<u>Funding of Expenditures</u>				
General Fund (01)	(\$1,689)	\$4,518	\$10,947	\$17,539
TOTAL Funding of Expenditures	(\$1,689)	\$4,518	\$10,947	\$17,539
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	\$1,689	(\$4,518)	(\$10,947)	(\$17,539)


Sponsor's Initials

1/27/2025
Date


Budget Director's Initials

1/27/2025
Date