

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 580** HLS 08RS 792
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: Education		Analyst: Mary Kathryn Drago
Subject: Salary supplements		

TEACHERS/SALARY OR +\$27,000,000 GF EX See Note Page 1 of 1
 Provides for a salary supplement to teachers employed in economically distressed public school systems

Proposed law provides, effective for the 2008-2009 school year and thereafter, that each full-time teacher who holds a valid Louisiana regular teaching certificate approved by the Board of Elementary and Secondary Education (BESE), and who is employed by a local public school board to provide instruction to students in a school system that is economically distressed as defined by BESE shall receive an annual salary supplement of \$5,000. These provisions are subject to the appropriation of funds for such purpose.

EXPENDITURES	2008-09	2009-10	2010-11	2011-12	2012-13	5 -YEAR TOTAL
State Gen. Fd.	\$27,000,000	\$27,000,000	\$27,000,000	\$27,000,000	\$27,000,000	\$135,000,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total	\$27,000,000	\$27,000,000	\$27,000,000	\$27,000,000	\$27,000,000	\$135,000,000

REVENUES	2008-09	2009-10	2010-11	2011-12	2012-13	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

State General Fund expenditures will increase by \$27 million in FY 08-09 to provide a \$5,000 salary supplement to full-time teachers in economically distressed school systems. Economically distressed would be defined by the Board of Elementary and Secondary Education upon the passage of this legislation. For illustrative purposes, this fiscal note assumes economically distressed to mean 25% of school systems in the state with the highest number of students eligible for free and reduced lunch. According to the Department of Education, there are currently 17 districts which would fall in this category. The districts range from 77% to 100% of their students eligible for free and reduced lunch, and the 17 districts employ approximately 5,400 teachers in total. If a \$5,000 salary supplement were provided to 5,400 teachers the cost would be \$27 million. The costs in subsequent fiscal years would be dependent upon the districts with the highest number of students eligible for free and reduced lunch, and the number of teachers employed by such district. For purposes of this fiscal note, the number of teachers used to calculate the costs in FY 08-09 is estimated to remain constant through the period reflected above.

Should all certificated personnel (i.e. teachers plus therapists, counselors, librarians, etc) receive the \$5,000 salary supplement, State General Fund expenditures would increase by \$33 million. There is a total of 6,585 certificated personnel in these 17 districts.

These provisions are subject to the appropriation of funds. The legislation does not specify a means of financing source, therefore, this fiscal note assumes State General Funds will be provided for these purposes.

Certain personnel that obtain national certification are eligible to receive salary supplements for such certification. The state provides state general funds to the school districts for the salary supplement, but does not provide the associated retirement costs. This fiscal note assumes that the local school districts will be responsible for the associated retirement costs estimated at \$4.185 million.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules

13.5.1 >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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Legislative Fiscal Officer