



128th MAINE LEGISLATURE

LD 818

LR 156(02)

An Act To Improve the Quality of Teachers

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund

Current biennium cost increase - School Administrative Units

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$250,000	\$250,000	\$250,000	\$250,000
Appropriations/Allocations				
General Fund	\$250,000	\$250,000	\$250,000	\$250,000

Fiscal Detail and Notes

This bill includes ongoing General Fund appropriations of \$250,000 per year beginning in fiscal year 2016-17 to the Student Financial Assistance Program within the Finance Authority of Maine for the costs of doubling the amount of loans awarded to eligible students in the Educators for Maine Program. This appropriation does not include any funding for the other costs of this bill, which are described below.

This legislation requires local school administrative units to increase the minimum salary for certified teachers to \$40,000 beginning in the 2018-2019 school year. The Department of Education, utilizing the 2016-17 staff data available on its NEO data system, has estimated the cost of this provision to be \$14,122,162. This amount does not include, and the bill does not address, any additional costs to local school administrative units to adjust salary schedules for certified teachers whose salaries will be above the \$40,000 minimum in fiscal year 2018-19 when teachers whose salaries are below the \$40,000 threshold will be increased to \$40,000. The Department has indicated it will also require one-time funding of \$207,600 in fiscal year 2018-19 for programming costs.

Additionally, an increase in salaries will increase the employer contribution for the normal cost component of the Maine Public Employers Retirement System (MainePERS). That rate for teachers for fiscal year 2018-19 is 3.97%. When this rate is applied to the projected increase in teacher salaries, the additional amount local school administrative units will have to pay to MainePERS for the normal cost of teacher retirement is estimated to be \$560,650 in fiscal year 2018-19.

This bill requires the Department of Education to determine the amount of state funds necessary to fund the increase in the minimum salary for teachers and report that amount to the Joint Standing Committee on Education and Cultural Affairs no later than December 15, 2017 and provides that the committee shall report out a bill to the Second Regular Session of the 128th Legislature to provide the necessary funding. Unless this funding is approved and enacted by the 128th Legislature during the 2nd Regular session, the full cost of this measure will be borne by local school administrative units. For any future fiscal year that the State chooses not to fund the additional cost of this minimum salary requirement, local school administrative units will be required to fund 100% of the cost.

Finally, adding the cost to fund salary supplements to teachers who are involved in the operation of support systems required to provide assistance for provisional teachers during each year of their probationary period to the miscellaneous cost component of essential programs and services will increase the total cost of education for kindergarten to grade 12. The cost can not be estimated at this time. Unless funding is provided by the State for this provision, the cost will be borne by local school administrative units.