



131st MAINE LEGISLATURE

LD 974

LR 2257(02)

An Act to Establish Minimum Pay for Educational Technicians and Other School Support Staff

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - local school administrative units

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$80,000	\$7,758,893	\$7,787,891	\$27,939,408
Appropriations/Allocations				
General Fund	\$80,000	\$7,758,893	\$7,787,891	\$27,939,408

Fiscal Detail and Notes

This bill includes a one-time General Fund appropriation of \$80,000 in fiscal year 2023-24 and ongoing General Fund appropriations totaling \$7,758,893 beginning in fiscal year 2024-25 to the General Purpose Aid for Local Schools program within the Department of Education for the State's share of the cost of requiring the minimum hourly wage for educational technicians to be 150% of the state minimum hourly wage and the minimum hourly wage for other school support staff who are paid hourly to be 125% of the state minimum hourly wage beginning in the 2024-2025 school year. Details of the General Fund appropriations are provided below.

The bill includes a one-time General Fund appropriation of \$80,000 in fiscal year 2023-24 for the department to update its data collection system to allow for school administrative units to report hourly wage data for the staff that are eligible for the minimum hourly wage established in this bill. Once collected, this data will be incorporated into the essential programs and services (EPS) funding model that is used to calculate the total cost of kindergarten to grade 12. It is important to note that certain cost components within the EPS funding model are expenditure driven, while other cost components are not. For those components that are expenditure driven, it will be 2 years before the salary increase will be reflected in the total cost of education as determined by the model. Until then, school administrative units will be responsible for funding 100% of the cost of this initiative.

According to the Department of Education, the salary calculation for non-special education educational technicians and clerical staff within EPS is not expenditure driven. The department anticipates that the salary increase for this group of employees will be reflected in the total cost of education beginning in fiscal year 2024-25 at an estimated cost of \$12,642,527. This bill includes ongoing General Fund appropriations of \$6,953,390 per year beginning in fiscal year 2024-25 for the State's share of that cost. The cost to local school administrative units (SAUs) for that group of employees is estimated to be \$5,689,137 per year. The impact to individual SAUs cannot be estimated and will depend on the actual hourly rate paid to employees in these positions and the state minimum hourly rate in 2024-2025.

The cost of the salary increase for transportation and special education educational technicians is estimated to be \$20,121,475 per year. Since the funding components for transportation and special education costs in the EPS model are expenditure driven, it will be 2 years before the impact of the salary increase will be incorporated into the model and the local SAUs will be responsible for 100% of the cost for the next 2 years. Once incorporated into the model, the State will be responsible for 100% of the cost.

The increase in salaries will increase the employer contribution for the normal cost component of the Maine Public Employers Retirement System (MainePERS). The rate for the normal cost component for fiscal year 2024-25 is 4.47%. When this rate is applied to the projected increase in educational technicians and other school support staff 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 \$1,464,551. Future biennium costs are estimated to be \$1,517,275 in fiscal year 2025-26 and \$1,571,897 in fiscal year 2026-27. This bill includes ongoing General Fund appropriations of \$805,503 to the General Purpose Aid for Local Schools program to fund the State's share of this cost beginning in fiscal year 2024-25.

Although not addressed in the bill, incrementally increasing minimum salary thresholds may put pressure on SAU's to raise salaries for other employees who are already above the minimum. Any additional salary increases SAU's may choose to provide would be fully funded by the SAU's unless the Commissioner of Education recommends adjusting the salary matrix within the essential programs and services funding model and these changes get implemented.