

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1394-01
Bill No.: HB 531
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
 Department; Teachers
Type: Original
Date: February 16, 2007

Bill Summary: Adds an additional five hundred dollar annual payment to teachers under the Career Ladder Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$8,846,500)	(\$9,067,663)	(\$9,294,354)
Total Estimated Net Effect on General Revenue Fund	(\$8,846,500)	(\$9,067,663)	(\$9,294,354)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning** reviewed the proposed legislation and have determined it should not result in additional costs or savings to the Office of Administration.

Officials from the **Department of Elementary and Secondary Education(DES)** state that during the 2006-2007 school year, there were 17,693 Career Ladder teachers. (17,693 x \$500 = \$8,846,500 additional state money needed for funding).

The following schedule shows the number of Career Ladder teachers over the past three years:

		Increase	% increase
2006-2007:	17,693	315	1.81%
2005-2006:	17,378	459	2.71%
2004-2005:	16,919		

Based on this schedule, DES estimates a potential increase of 2.5% per year in future years.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost</u> - DES - Additional payments to teachers in Career Ladder Program	<u>(\$8,846,500)</u>	<u>(\$9,067,663)</u>	<u>(\$9,294,354)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$8,846,500)</u>	<u>(\$9,067,663)</u>	<u>(\$9,294,354)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2008 (10 Mo.)	 FY 2009	 FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

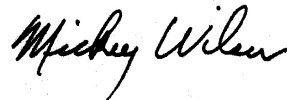
FISCAL DESCRIPTION

This proposal adds an additional five hundred dollar annual payment to teachers under the Career Ladder Program to be funded entirely by state appropriations and not subject to current law local district matching requirements.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Administration
Division of Budget and Planning



Mickey Wilson, CPA
Director
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