

**Department of Planning and Budget
2004 Fiscal Impact Statement**

1. Bill Number HB1163

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Frederick

3. Committee Education

4. Title Teacher compensation.

5. Summary/Purpose: This bill directs school boards to develop and implement teacher compensation practices that recognize and reward instructional excellence. These practices shall include, but shall not be limited to, (i) consideration of the results of the annual performance evaluations required for probationary teachers and (ii) procedures for the adjustment of compensation for continuing contract teachers that are consistent with school division evaluation procedures and that recognize student academic progress and instructional excellence. Finally, the measure states that compensation, recognition, and rewards cannot be based solely on seniority and educational background, but shall be primarily based on performance.

6. Fiscal Impact: See Item 8.

7. Budget amendment necessary: No.

8. Fiscal implications: This bill could have an impact at the local level, depending on how local school boards have established existing compensation practices. The impact cannot be quantified.

At the state level, should the provisions of this bill result in greater compensation to teachers, there could be an impact in future biennia. Increases in compensation are reported on a school division's Annual School Report (ASR), which is used as the basis for prevailing costs in the Standards of Quality (SOQ).

9. Specific agency or political subdivisions affected: Local school divisions, Department of Education

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 02/04/04 / acd

Document: H\ bos\k12 legislation\2004 session\completed bills\HB1163.doc.

cc: Secretary of Education