

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number HB2075

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 Plum

3. Committee Appropriations

4. Title Standards of Quality; average teacher salary.

5. Summary/Purpose: This bill requires that the state average teacher salary not be less than the annual national average teacher salary in order to ensure highly qualified instructional staff in the public schools.

6. Fiscal Impact (See #8.)

7. Budget amendment necessary: No, funding for this purpose is contingent upon appropriation.

8. Fiscal implications: This bill states “with such funds as are made available for this purpose.” Therefore, the funding is contingent upon appropriation. However, the fiscal impact of meeting the national average teacher salary is significant.

This bill would require Standards of Quality costs to be revised to reflect the national average salary for teachers, beginning in FY 2006. The general fund cost to bring teacher salaries to a national average is estimated to be \$581.7 million in FY 2006.

This estimate is based upon taking the FY 2004 actual national average teacher salary of \$46,826 and increasing it using an annual growth factor of 2.9 percent. The growth factor was calculated by taking a five-year average of the annual percentage increase in teacher salaries nationwide. Using this assumption, the estimated FY 2005 national average salary is calculated to be \$48,186 and the estimated FY 2006 national average salary is calculated to be \$49,601.

In future years, costs are expected to increase as the national average increases as well as the number of Standards of Quality funded teaching positions.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/18/05 / acd

Document: H\ bos\k12 legislation\2005 session\completed bills\HB2075.doc.

cc: Secretary of Education
Secretary of Finance