

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2847

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 Moran

3. Committee Education

4. Title Standards of Quality; average teacher salary.

5. Summary/Purpose: Requires that the state average teacher salary not be less than the annual national average teacher salary in order to ensure high-quality instructional personnel in the public schools.

6. Fiscal Impact Estimates are: See Item 8.

7. Budget amendment necessary: Yes, to implement.

8. Fiscal implications: Section 22.1-289.1 of the *Code of Virginia* states that it is the goal of the Commonwealth that its public school teachers be compensated at a rate that is competitive in order to attract and retain competent teachers. HB 2847 would amend that section to require that teachers be compensated at a rate that is competitive with the annual national average teacher salary.

Standard 1 of the Standards of Quality provides that the General Assembly and the Board of Education find that the quality of education is dependent upon, among other things, the appropriate working environment, benefits, and salaries necessary to ensure the availability of high-quality instructional personnel. HB 2847 would add to Standard 1 of the SOQ that with such funds as are available, the average teacher salary shall not be less than the annual national average teacher salary.

In order to estimate the cost of making the state average teacher salary to be not less than the national average, \$49,109 was used as the funded elementary and secondary teacher average salary amount for SOQ accounts and applicable incentive accounts in Direct Aid. This amount is the estimated national average teacher salary for FY 2006 determined by the National Education Association (NEA) in November 2006. This salary amount is increased by the instructional COCA factor for applicable divisions and for the Compensation Supplement amounts (three percent salary increase for instructional and support staff) included in the Governor's Budget of December 15, 2006. The additional cost to the K-3 Class Size Reduction Program is not included in this cost and would be higher than currently funded.

The Department of Education estimates the state share of cost is **\$515.1 million** in FY 2007 and **\$543.0 million** in FY 2008.

9. Specific agency or political subdivisions affected: Direct Aid to Public Education, local school divisions.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/17/07 / SHD

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cc: Secretary of Education