

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2883

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 Phillips

3. Committee Education

4. Title Teacher experience credit.

5. Summary/Purpose: Requires local school boards to grant one year of teaching experience credit to licensed teachers for each year of active-duty military service for which teachers are granted credit under the provisions of the Virginia Retirement System (VRS).

6. Fiscal Impact Estimates are: See Item 8.

7. Budget amendment necessary: Indeterminate.

8. Fiscal implications: This legislation requires that local school boards grant one year of teaching experience to licensed teachers for each year of active-duty military service. This provision could result in higher starting salaries for teachers or administrators who are eligible for the credit because salaries are typically based on the number of years of teaching experience. At this time, it is unknown how many teachers and administrators who have served on active military duty and who would meet the requirements of this bill so it is not possible to estimate the potential impact. However, any increase in teacher salaries will impact the calculation of prevailing salaries, which is used for the biennial rebenchmarking of the Standards of Quality. Therefore, this bill could result in an additional cost to the state in future biennia.

Moreover, any increase in teacher salaries will also increase the liability for VRS, resulting in potentially higher contribution rates in the future to cover the cost of the retirement payout for the higher salaries. At this time, the potential impact to VRS and the resulting state cost cannot be determined as there is no reliable way to estimate the final salaries of those teachers that meet the requirements of this bill.

9. Specific agency or political subdivisions affected: VRS, local school boards.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/31/07 / SHD

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