



January 19, 2021

SUMMARY OF BILL: Increases, by four percent, the instructional salary component funded by the Basic Education Program (BEP), without requiring a local match prior to July 1, 2021. Requires local education agencies (LEAs) to pay teachers back pay for days taught in the 2020-21 school year. Prohibits LEAs from reducing a teacher's salary except for certain circumstances.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$117,360,000/FY20-21 and Subsequent Years

Assumptions:

- The Governor's recommended budget document for FY20-21 included \$117,360,000 in recurring expenditures (page B-88) which would have provided funding for a four percent increase in teacher salaries.
- Public Chapter 651 of 2020 decreased this funding by \$58,680,000; Public Chapter 760 of 2020 eliminated the remaining \$58,680,000 in funding.
- No changes were made to the instructional salary component of the BEP; therefore, the recurring increase in state expenditures in FY20-21 and subsequent years in order to fund a four percent increase is estimated to be \$117,360,000.
- No local match is required for FY20-21.
- Instructional components of the BEP are funded 70 percent with state funding and 30 percent with local funding.
- Based on FY19-20 local maintenance of effort levels, no local school districts will need to increase their BEP local match contributions as a result of the proposed legislation, as all districts are currently contributing local funds in excess of the minimum required local match and the increased local match requirements mandated by this legislation do not exceed such current local contributions for any of the districts.
- However, future legislation which alters the BEP funding formula may result in local governments utilizing current excess local contributions to fund the minimum local match requirement and a combination of multiple such legislation may result in mandatory increases in local match requirements for certain school districts.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive style with a large, prominent 'B' and 'S'.

Bojan Savic, Interim Executive Director

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