

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB 2672
Version:	SAHB
Request Number:	NA
Author:	Speaker McCall/ PPT Treat
Date:	5/2/2023
Impact:	see analysis below

Research Analysis

The Engrossed Senate Amendments to HB 2672 appropriates \$500 million to schools through the state aid funding formula to pay for teacher raises and other student supports. Schools are prohibited from using the funds to provide salary increases or bonuses to administrators. A teacher shall receive the full salary increase regardless if their current pay is above the salary schedule. If a school district does not receive funding through the formula the State Board of Education will allocate funds to cover the cost of the salary increases.

The measure increases the teacher salary schedule in the following manner:

- \$4,000 increase for teachers with 0-5 years of experience,
- \$5,000 increase for teachers with 6-10 years of experience,
- \$6,000 increase for teachers with 11-15 years of experience,
- \$7,000 increase for teachers with 16-20 years of experience, and
- \$8,000 increase for teachers with 21-25 years of experience.

The measure clarifies that the raises are also applicable to teachers employed by CareerTech, The Department of Corrections, and the Office of Juvenile Affairs.

All public school certified personnel, public school support personnel, and teachers employed by CareerTech, DOC, or OJA shall also receive a one-time stipend of \$3,000 next school year.

Further, the measure strikes language authorizing the State Board of Education to establish advanced, lead and master level teaching certificates and also strikes language authorizing the Board to provide those advanced teachers with additional pay raises.

The measure instead creates the "Rewarding Excellent Educators Grant Program" for the purposed of providing schools with grant funds to implement qualitative bonuses for eligible teachers and support employees. To receive the grant funding, school districts must submit a plan for rewarding high-performing employees. Districts may not provide bonuses to more than 10 percent of their employees, and no bonus may exceed \$5,000.

Lastly, the measure increases the transportation aid factor from 1.39 to 2, and increases the funding formula weight for economically disadvantaged students from .25 to .3.

Prepared By: Emily Byrne

Fiscal Analysis

Section 1: \$500M through the Funding Formula;

Section 2:

Years of Experience	Annual Increase	Years of Experience	Annual Increase
	HB 2672 SAHB		HB 2672 SAHB
0	\$ 4,000	13	\$ 6,000
1	\$ 4,000	14	\$ 6,000
2	\$ 4,000	15	\$ 6,000
3	\$ 4,000	16	\$ 7,000
4	\$ 4,000	17	\$ 7,000
5	\$ 4,000	18	\$ 7,000
6	\$ 5,000	19	\$ 7,000
7	\$ 5,000	20	\$ 7,000
8	\$ 5,000	21	\$ 8,000
9	\$ 5,000	22	\$ 8,000
10	\$ 5,000	23	\$ 8,000
11	\$ 6,000	24	\$ 8,000
12	\$ 6,000	25	\$ 8,000
		Total Coast	\$ 360,422,158

Subsection H has a provision requiring SDE hold harmless districts that didn't receive enough state aid to cover the cost of the payraise. If this is unaccounted for in appropriations in advance it can only eat into existing SDE funded school programs.

Subsections I & J apply raise to CareerTech, DoC, and OJA classroom instructors: est.
\$12,055,321

Section 3:

- Subsection A: \$3,000 one-time stipend for all certified personnel: **\$182,265,484**
- Subsection B: \$3,000 one-time stipend for all support personnel: **\$127,994,576**
- Subsection C: \$3,000 one-time stipend for CareerTech classroom instructors: **\$4,793,778**
- Subsection D: \$3,000 one-time stipend for DoC classroom instructors: **\$228,443**
- Subsection D: \$3,000 one-time stipend for OJA classroom instructors: **\$31,631**

Section 4:

- eliminates "advanced, lead, and master teacher" bonus structure.

Section 5:

- recharacterizes the Teacher Empowerment Revolving Fund.

Section 6: creates the Rewarding Excellent Educators Grant Program – creates grant program, limits grant awards to \$5,000; cap of 10% of school districts employees can qualify. Program is written to be funded out of the Teacher Empowerment Revolving Fund; but no funds in the bill are directed to the Revolving Fund; therefor, this program appears to be unfunded and subject to future appropriation needs.

Section 7: Increases the Transportation factor from 1.39 to 2.0. The Transportation factor is a multiplier that gets applied to a base within the formula; such modification will shift money around within the formula; but in itself will not cause additional cost.

Section 8: Increases the economically disadvantaged weight from 0.25 to 0.3. Changing the weight will shift money around within the formula; but in itself will not cause additional cost.

In Total HB 2672:

Appropriates: \$500 Million, and

Expenditures: \$372 Million in Teacher Pay increases; \$315 Million in Stipends; and creates a merit pay bonus structure that will require additional appropriated dollars.

Prepared By: John McPhetridge, House Fiscal Staff

Other Considerations

None.