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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/19/07

SPONSOR Swisstack LAST UPDATED \_\_\_\_\_ HB 525

SHORT TITLE Certain School Employee Minimum Salaries SB \_\_\_\_\_

ANALYST Dearing

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$4,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Appropriation in Senate Bill 988  
 Relates to appropriations contained in HB 3  
 Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)  
 Office of Educational Accountability (OEA)  
 State Personnel Office (SPO)

### SUMMARY

#### Synopsis of Bill

House Bill 525 appropriates \$4 million for expenditure in FY08 from the general fund to the PED for the purpose of increasing unlicensed employees' salary schedules. The bill would establish alternate salary structures or minimum salaries for unlicensed school employees.

### FISCAL IMPLICATIONS

*The LFC remains concerned about increasing recurring out-year general fund obligations. There is concern that adding additional out-year obligations before meeting existing responsibilities may cause budget issues to arise in the future.*

Since FY04, the Legislature has appropriated \$208.2 million for salary increases and funding of

the three-tier career ladder. Implementation of the career ladder for teachers continued with an FY07 appropriation of \$6.8 million to move level-three teachers to a minimum salary of \$45 thousand.

In FY07, the Legislature provided appropriations for a significant \$7.9 million, or 9.5% extraordinary compensation increase for educational assistants. A 5% increase was provided for instructional support providers in FY07, as well as an additional targeted \$1.9 million earmarked increase for instructional support providers, beyond the broadly applied compensation increases for education in FY06.

### Unlicensed School Employee Minimums

House Bill 525 contains an appropriation of \$4.0 million in recurring dollars from the General Fund. The salary increases would be effective the first full pay period after July 1, 2007.

The OEA estimates the costs of implementing the bill to be approximately between \$4.7 million to \$6.3 million dollars depending upon the number of days worked and the hours worked per day. These calculations vary because districts vary on the length of the contracts they have with secretaries, clerks, and bookkeepers. These calculations are based on the survey data collected by the House Memorial 36 taskforce in FY06 and includes an average 5 percent increase for FY07. In addition, the survey data collected by the House Memorial 36 taskforce classified clerks, secretaries, and bookkeepers as Entry, Intermediate, or Advanced differently than the classification proposed in House Bill 525. The survey data collected by the taskforce classified these positions as Entry Level (1-3 years experience); Intermediate Level (3-7 years experience); and Advanced Level (7 or more years of experience). House Bill 525 in contrast, classified these positions as Entry Level (0-5 years experience); Intermediate Level (5-10 years experience); and Advanced Level (10-20 years experience).

### **SIGNIFICANT ISSUES**

In 2005, the Legislature passed House Memorial-36, School Secretary and Clerk Salary Study, which requested that the OEA conduct a study to assess the appropriate salaries for the skill Levels required of school districts secretaries, clerks, and bookkeepers and to recommend a salary schedule process for these employees. OEA convened a taskforce that examined these questions, gathered survey information and other data from all 89 school districts, and presented their findings to the LESC in November 2005.

The taskforce found that about 55 percent of the 2,794 secretaries, clerks and bookkeepers included in the survey could be classified as advanced in that they had 7 or more years of experience, high complexity of job performance requirements, high responsibility Level, and minimal supervision. In addition, the taskforce found that about 40 percent earned between \$6 and \$10 an hour.

The taskforce made a number of recommendations to the LESC including:

- People in these categories should receive no less than an average of 8percent increase in compensation for FY07.
- A minimum of \$7.50 an hour.
- School districts should create salary schedules that encourage career development across the entry, intermediate, and advanced skill Levels of secretaries, clerks, and bookkeepers.

- The PED should collect and make available detailed data about secretaries, bookkeepers, and clerks including such factors as number of years of experience, length of contract, grade or skill level, salary schedules, and other information that may be useful.
- The PED should not approve any school district budget that does not meet the intent of these recommendations. Further, the Legislature should consider ways to ensure that the public school appropriation is adequate for each school district to meet these requirements.
- The Legislature should consider providing funding to support the continuation of the taskforce to monitor and further study the implementation of these recommendations.

During the 2006 Legislative Session, no bills were passed dealing with the issues raised. Clerks, secretaries and bookkeepers received an average 5 percent increase along with all other certified and non-certified school personnel except educational assistants.

### **PERFORMANCE IMPLICATIONS**

In 2005, the PED did not collect detailed information about clerks, secretaries, and bookkeepers. Since that time, PED has implemented a new chart of accounts that may need to be adjusted to include detailed data about secretaries, bookkeepers, and clerks including such factors as number of years of experience, length of contract, grade or skill Level, salary schedules, and other information that may be needed if HB-525 passes and is signed into law.

### **DUPLICATION**

House Bill 525 duplicates Senate Bill 988

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