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FISCAL IMPACT REPORT

SPONSOR Park ORIGINAL DATE 2/17/2007
LAST UPDATED _____ HB 502
SHORT TITLE School Employee Salary Increases SB _____
ANALYST Schuss

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$121,795.3	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 2

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 502 appropriates \$121,795,300 from the general fund to state equalization guarantee distribution of the public school fund to provide an average 8 percent salary increase for licensed school employees in the 2007-2008 year.

FISCAL IMPLICATIONS

The appropriation of \$121,795,300 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

SIGNIFICANT ISSUES

HB 502 relates only to licensed school employees

House Bill 2 contains sufficient appropriations for a 5 percent salary increase of all school

employees (licensed and unlicensed).

RELATIONSHIP

HB 2

OTHER SUBSTANTIVE ISSUES

PED reports that the eight percent salary increase for licensed school employees will have an impact on the future liabilities of the Educational Retirement Fund.

BS/nt