



129th MAINE LEGISLATURE

LD 1965

LR 2777(01)

An Act To Set a Minimum Wage for School Support Staff

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Collings of Portland

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - local school administrative units
Future biennium cost increase - General Fund

| | FY 2019-20 | FY 2020-21 | Projections FY 2021-22 | Projections FY 2022-23 |
|-----------------------------------|------------|------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$0 | \$80,000 | \$0 | \$0 |
| Appropriations/Allocations | | | | |
| General Fund | \$0 | \$80,000 | \$0 | \$0 |

Fiscal Detail and Notes

This bill establishes a minimum hourly wage of \$16 per hour for school support staff beginning with the 2020-2021 school year. The General Purpose Aid for Local Schools program within the Department of Education will require a one-time General Fund appropriation of \$80,000 in fiscal year 2020-21 to update its data collection system to allow for school administrative units to report hourly wage data for school support staff. Once collected, this data will be incorporated into the essential programs and services (EPS) funding model that is used to calculate the total cost of public education from kindergarten to grade 12.

Requiring a minimum hourly wage of \$16 per hour for school support staff will increase costs to local school administrative units (SAU's) beginning in fiscal year 2020-21. According to the department, SAU's will be responsible for funding 100% of the cost of this initiative until the hourly wage data for these school personnel can be collected and incorporated into the EPS funding model. For those components within the model that are expenditure driven, it will be 2 years before the salary increase will be reflected in the total cost of education as determined by the EPS funding model. Other components of the model that are not expenditure driven could be incorporated sooner, allowing for those costs to be reflected in the total cost of education for fiscal year 2021-22. Given this information, the increase in the State's contribution for funding K-12 public education as a result of this legislation will not occur until the 2022-2023 biennium. No estimate of this increase can be made until the update to the data collection system mentioned in the first paragraph above.

The increase in the minimum wage for school support staff may also increase costs to the child nutrition programs, which are not included in the calculation of the total cost of public education for kindergarten to grade 12 and do not receive state subsidy from the General Purpose Aid for Local Schools program. Unless General Fund appropriations are provided, SAU's will be responsible for 100% of this cost, as well.