



131st MAINE LEGISLATURE

LD 974

LR 2257(03)

An Act to Establish Minimum Pay for Educational Technicians and Other School Support Staff

Fiscal Note for Bill as Amended by Committee Amendment " "
Committee: Education and Cultural Affairs
Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - local school administrative units

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$80,000	\$287,978,565	\$288,422,152	\$245,338,842
Appropriations/Allocations				
General Fund	\$80,000	\$287,978,565	\$288,422,152	\$245,338,842

Fiscal Detail and Notes

This bill includes a one-time General Fund appropriation of \$80,000 in fiscal year 2023-24 and ongoing General Fund appropriations totaling \$287,978,565 beginning in fiscal year 2024-25 to the General Purpose Aid for Local Schools (GPA) program within the Department of Education for the cost of requiring the minimum hourly wage for educational technicians to be 200% of the state minimum hourly wage and the minimum hourly wage for other school support staff who are paid hourly to be 150% of the state minimum hourly wage beginning in the 2024-2025 school year. Details of the General Fund appropriations are provided below.

The bill includes a one-time General Fund appropriation of \$80,000 in fiscal year 2023-24 for the department to update its data collection system to allow for school administrative units to report hourly wage data for the staff that are eligible for the minimum hourly wage established in this bill. 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 kindergarten to grade 12.

The bill requires the State to pay 100% of the cost of the minimum wage increase for fiscal year 2024-25 and fiscal year 2025-26. General Fund appropriations of \$275,656,710 in fiscal year 2024-25 to the GPA program are included in the bill for that cost. Additionally, the increase in salaries will increase the employer contribution for the normal cost component of the Maine Public Employers Retirement System (MainePERS). The rate for the normal cost component for fiscal year 2024-25 is 4.47%. When this rate is applied to the projected increase in educational technicians and other school support staff salaries the additional amount that will need to be paid to MainePERS for the normal cost of teacher retirement is estimated to be \$12,321,855. This bill includes ongoing General Fund appropriations for that amount to fund the 100% of this cost in fiscal year 2024-25.

Although not addressed in the bill, incrementally increasing minimum salary thresholds may put pressure on SAU's to raise salaries for other employees who are already above the minimum. Any additional salary increases SAU's may choose to provide would be fully funded by the SAU's unless the Commissioner of Education recommends adjusting the salary matrix within the essential programs and services funding model and these changes get implemented.