



129th MAINE LEGISLATURE

LD 898

LR 171(02)

An Act To Provide for a Professional Wage and Support for New Educators

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund

Future biennium cost increase - School Administrative Units

Fiscal Detail and Notes

This legislation requires local school administrative units (SAU's) to increase the minimum salary for certified teachers to \$40,000 beginning in the 2020-2021 school year. The Department of Education has estimated the cost of this provision to be \$10,000,000 for that school year. This amount does not include, and the bill does not address, any additional costs to SAU's to adjust salary schedules for certified teachers whose salaries will be above the \$40,000 minimum in fiscal year 2020-21 when teachers whose salaries are below the \$40,000 threshold will be increased to \$40,000. The Governor's proposed budget for the 2020-2021 biennium, LD 1001, includes a General Fund appropriation of \$10,000,000 in fiscal year 2020-21 for the cost of increasing the minimum salary for certified teachers to \$40,000 per year.

This bill requires the Department of Education to determine the amount of state funds necessary to fund 100% of the increase in the minimum salary for teachers in fiscal year 2020-21, 66% of the increase in fiscal year 2021-22 and 33% of the increase in fiscal year 2022-23 and report those amounts to the Joint Standing Committee on Education and Cultural Affairs no later than December 15, 2019. The bill also provides that the committee shall report out a bill to the Second Regular Session of the 129th Legislature to provide the necessary funding. Unless the required funding for fiscal year 2020-21 is approved and enacted by the 129th Legislature, either in the 2020-2021 biennial budget or other legislation, the full cost of this measure will be borne by SAU's. For any future fiscal year that the State does not fund the additional cost of this minimum salary requirement SAU's will be required to fund 100% of the cost.

The increase in salaries as a result of this legislation will increase the employer contribution for the normal cost component of the Maine Public Employers Retirement System (MainePERS). That rate for teachers for fiscal year 2020-21 is 4.16%. When this rate is applied to the projected increase in teacher salaries the additional amount SAU's will have to pay to MainePERS for the normal cost of teacher retirement is estimated to be \$416,000 in fiscal year 2020-21.