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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/09

SPONSOR Miera LAST UPDATED _____ HB 136

SHORT TITLE Educational Assistant Licensing and Salaries SB _____

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$2,613.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB3, HB18
 Conflicts with HB137
 Duplicates Appropriations contained in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
 Department of Finance and Administration (DFA)
 State Personnel Office (SPO)

SUMMARY

Synopsis of Bill

House Bill 136 appropriates \$2,613,000 from the general fund to the Public School Fund for the purpose of paying the cost of implementing a minimum salary for educational assistants holding a level one license.

FISCAL IMPLICATIONS

The appropriation of \$2.613 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

The General Appropriations act contains sufficient appropriations to cover the cost of this initiative, but not the additional cost over time that will be required to establish the additional levels of the tiered system

Language contained in the bill establishing a tiered career ladder for educational assistants and specifying minimum salaries increases over time appear to be mandating and committing future legislatures to appropriation increases. This is problematic as it reduces the legislature's ability to establish spending priorities.

HB136 sets a minimum salary of \$13,000 annually for level one educational assistants in FY10, \$14,000 annually for level two educational assistants in FY11, \$15,000 annually for level three educational assistants in FY12, and \$17,000 annually for level four educational assistants in FY13.

The state personnel office notes that since the minimum salary level is established for each level of educational assistant in subsequent years it is highly likely extreme salary compaction will result from the timing of the proposed minimum salary levels.

It appears that approximately 500 to 600 educational assistants would be impacted by the increase in base salary for level one assistants to \$13,000,

PERFORMANCE IMPLICATIONS

PED notes that staff would administer the funds appropriated in HB 136. Licensure staff would be required to review all Level 3 files to determine eligibility for Level 4.

PA/svb