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FISCAL IMPACT REPORT

ORIGINAL DATE 03/01/13

SPONSOR Lopez/Miera LAST UPDATED _____ HB _____

SHORT TITLE Increase for Certain School Employees SB 570

ANALYST Roberts

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$10,570.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$10,570.0	\$10,570.0	\$21,140.0	Recurring	School Districts and Charter Schools General Operating

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 570 appropriates \$10.57 million dollars from the general fund to the Public Education Department (PED) for distribution through the state equalization guarantee distribution to provide a variable rate increase in salary for school employees whose gross earnings are less than \$20 thousand dollars per year.

FISCAL IMPLICATIONS

The appropriation of \$10.57 million dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

The PED notes that the salary increases will be permanent and with a one-time appropriation will have to be made-up by districts and charter schools in the future without an accompanying funding source.

SIGNIFICANT ISSUES

The PED reports:

Based on STARS 80 day data, there are approximately 14,158 school employees that earn less than \$20,000 per year that this bill would pertain to.

Many of these employees are part-time employees or employees that work a limited number of hours per day (e.g. bus drivers). The bill is not specific on how these employees are to be treated and as such, these employees will be eligible for significantly greater increases than others working full-time.

MIR/svb