

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1370 (First Edition)

SHORT TITLE: Salary Schedule for Teacher Assistants

SPONSOR(S): Senator Malone

| FISCAL IMPACT | | | | | |
|--|-------------------|-------------------|---------------------------|-------------------|-------------------|
| | Yes (X) | No () | No Estimate Available () | | |
| | <u>FY 2007-08</u> | <u>FY 2008-09</u> | <u>FY 2009-10</u> | <u>FY 2010-11</u> | <u>FY 2011-12</u> |
| REVENUES | | | | | |
| EXPENDITURES | \$29,648,698* | \$29,648,698** | \$29,648,698** | \$29,648,698** | \$29,648,698** |
| POSITIONS (cumulative): | | | | | |
| PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: State Public School Fund | | | | | |
| EFFECTIVE DATE: The act becomes effective July 1, 2007, and applies to school years beginning with the 2007-08 school year. | | | | | |

***Note that this number assumes that no payments are made to teacher assistants to guarantee a raise of at least \$750, nor are any payments made in order to hold harmless teachers whose salary would decrease under the salary schedule. See Assumptions and Methodology section for further explanation.**

****Expenditures are likely to rise in future years due to increasing numbers of TAs, and legislative increases to the teacher assistant salary schedule.**

BILL SUMMARY:

Section 1.(a) provides for a new ten-month salary schedule for noncertified personnel of NC Public Schools classified as teacher assistants, with an 11-step salary range based on years of experience and type of degree held:

| Years of Experience | High School Diploma | Associates Degree | Bachelors Degree |
|---------------------|------------------------|----------------------|---------------------|
| 0 | 17,598 | 19,358 | 22,261 |
| 1 | 18,126 | 19,939 | 22,929 |
| 2 | 18,670 | 20,537 | 23,617 |
| 3 | 19,230 | 21,153 | 24,326 |

| | | | |
|----|--------|--------|--------|
| 4 | 19,807 | 21,787 | 25,055 |
| 5 | 20,401 | 22,441 | 25,807 |
| 6 | 21,013 | 23,114 | 26,581 |
| 7 | 21,643 | 23,808 | 27,379 |
| 8 | 22,293 | 24,522 | 28,200 |
| 9 | 22,961 | 25,258 | 29,046 |
| 10 | 23,650 | 26,015 | 29,918 |

Section 1.(b) requires that each teacher assistant must be placed on the appropriate step on the 11-step salary schedule based on years of experience, as of the 2007-08 school year. The following table demonstrates how teacher assistants will be placed on the new salary schedule:

| Years of Experience as a Teacher Assistant | Step on the 2007-2008 Salary Schedule |
|---|--|
| 0-3 | 0 |
| 4-5 | 1 |
| 6-7 | 2 |
| 8-10 | 3 |
| 11-13 | 4 |
| 14-16 | 5 |
| 17-19 | 6 |
| 20-22 | 7 |
| 23-25 | 8 |
| 26-28 | 9 |
| 29-30 | 10 |

This section further provides that there will be no reduction in salary for any employee as a result of placement on the appropriate salary schedule and that no employee will receive less than a \$750 salary increase as a result of placement on the appropriate salary step for the 2007-08 school year. Additionally, any teacher assistant currently being paid at a salary higher than the teacher assistant's years of experience will be held harmless until his or her salary is commensurate with the years of experience.

ASSUMPTIONS AND METHODOLOGY:

Placing Teacher Assistants on the New Schedule

The Department of Public Instruction (DPI) was able to assemble data on the number of teacher assistants at each experience level and each type of degree for the 2006-07 school year by surveying all of the State's local education agencies (LEAs).¹ This survey data was used to determine the number of teacher assistants at each step in the salary schedule proposed by this bill. After determining total salary costs, additions were then made for benefits² to provide total estimated wages for 2007-08 under the salary schedule (\$452,116,660). The total wages under the new schedule were then compared to actual 2006-07 expenditures on teacher assistants (\$422,467,962) to determine the additional expenditures required by placing teacher assistants on the proposed salary schedule (\$29,648,698).

¹ 104 out of 115 LEAs (90%) completed and returned the teacher assistant survey. This analysis assumes that the 104 respondents are representative of the State's population of teacher assistants.

² Benefits are calculated at 2006-07 rates of 7.65% for FICA, and 7.14% for retirement.

Minimum raise of \$750

The available data does *not* allow determination of how many teacher assistants would receive additional payments in order to guarantee that each teacher assistant receives a salary increase of at least \$750, as required by Section 1.(b). If every teacher assistant were to be paid an additional \$750 due to this clause, the cost of this bill would rise by an additional \$21,924,000. However, given that it will cost at least \$29,648,698 to place teaching assistants on the new schedule, a large number of teacher assistants will necessarily be receiving raises of at least \$750. It is possible that every single teacher assistant will receive a raise of at least \$750 under the new schedule, meaning that no additional payments would be required due to this clause in Section 1.(b).

Hold harmless provision

Section 1.(b) also requires that “any teacher assistant currently being paid at a salary higher than the teacher assistant’s years of experience will be held harmless until his or her salary is commensurate with the years of experience.” Once again, the cost of this requirement cannot be calculated given the available data. Given the cost of placing the teacher assistants on the new schedule, this clause would likely apply to few – possibly none – of the teacher assistants. However, the true cost is unknown, and could significantly increase expenditures.

SOURCES OF DATA: Department of Public Instruction

TECHNICAL CONSIDERATIONS: If this bill requires the DPI to certify the education level and years of experience of the State’s 29,232 teacher assistants, it will create substantial administration costs for the State. DPI estimates that certification of teacher assistants would require additional licensure personnel (8 full-time positions at \$51,656 per year³, and 8 initial temporary positions at \$25,000 per year). Additionally, estimated operating costs would approximate \$80,000. This would bring the *total estimated administration costs of State certification to approximately \$693,244*. State certification of teacher assistants might require additional costs such as additional office space, and a rewrite of the computer system that manages teacher salary and licensure.

Alternatively, certification could take place at the LEA level. While this would almost certainly create additional costs for LEAs, there is no estimate available at this time. To provide an accurate estimate, one would first have to assess which teacher assistant data are already kept at the LEA level. The additional administrative burden would likely vary considerably from LEA to LEA.

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DATE: April 23, 2007



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³ This number is inclusive of benefits.