



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 9, 2023

Honorable Yasmin Neal
State Representative
511-F Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 49 1067)

Dear Representative Neal:

This bill would revise the minimum base salary for certificated professional personnel in public schools, create a new salary schedule for licensed paraprofessionals in those schools, and require periodic salary studies. Under the bill, the minimum salary for teachers with a bachelor's degree and no experience would be \$50,000. It would be \$65,000 for those with a bachelor's and five years of experience. Current state law requires that the minimum base salary for certificated professional personnel with a bachelor's degree and no experience be comparable to the beginning salaries of recent University System of Georgia graduates entering positions with similar entry requirements. The new salary schedules would be effective July 1, 2023, with salary studies to begin in 2027.

As shown in Table 1, information from the Georgia Department of Education (GaDOE) suggests that the bill would require additional state funding of more than \$5.5 billion. The assumptions and methods used to calculate the estimate are below the table.

Table 1. Additional Costs for LC 49 1067

Change to Teacher Salary Schedule	Creation of Paraprofessional Salary Schedule	Grand Total
\$5.4 billion	\$219 million - \$314 million	\$5.6 billion - \$5.7 billion

Changes to Teacher Salary Schedule

GaDOE estimates that the changes to the existing teacher salary schedule would require an additional \$5.38 billion in state funds in FY 2024. Under current law, the preliminary QBE allocation for FY 2024 is \$9.45 billion. The bill would require \$14.83 billion for all school systems, charter schools, and associated grants and programs in which the state teacher salary schedule is a component.

The bill does not clearly indicate the treatment of salaries for teachers that are not in year one or year five. For the purposes of this fiscal note, it was assumed that all teachers with 0-4 years of creditable service would receive an increase of \$10,908 (the difference between the new base salary [\$50,000] and the current base [\$39,092]). For those with 5 or more years of experience, the increase is \$22,747 (new base salary [\$65,000] minus the current [\$42,253]).

GaDOE stated that the costs of future salary studies can likely be absorbed with existing agency funding.

Paraprofessional Salary Schedule

The estimated additional state costs needed to implement a paraprofessional salary schedule would range from \$219.7 million to \$337.8 million, depending on assumptions regarding the current state and local system cost sharing of salaries. This estimate assumes that the state will fund paraprofessional base salaries in the same way it funds teacher base salaries.

The bill shifts responsibility to the General Assembly to appropriate funds to support the new salary schedule. The additional costs to the state come in two forms: 1) the cost of the increase in salaries required by the bill, and 2) the cost of salaries (up to the salary minimum) currently funded by local school systems. Since this bill would shift fiscal responsibility for paraprofessional salaries to state funding, the bill would likely result in cost savings for local school systems.

GaDOE estimates that there are 9,650 paraprofessional full-time equivalent (FTE) teachers earning an average salary of \$24,468. Increasing the average salary to \$35,000, which is the required 70% of the \$50,000 teacher base salary, would result in additional costs of \$101.6 million (**Table 2**).

Table 2. Paraprofessional Salary Schedule Increase Total

Current Cost for Salaries	Costs Under the Bill	Additional Costs
\$236,119,391	\$337,750,700	\$101,631,309

GaDOE was unable to provide a breakdown of which paraprofessional costs are currently covered by state versus local funding sources, so we calculated the potential impact based on two scenarios.

Table 3 shows additional state fiscal responsibility depending on two potential scenarios: 1) a current state-local split resulting in the state bearing 50% of fiscal responsibility for current paraprofessional salaries, and 2) state currently bearing just 10% of fiscal responsibility for paraprofessional salaries.

Table 3. Estimated State Responsibility of Paraprofessional Salary Schedule

(In millions)	Current Law	Scenario 1 – If State Currently Funds Half of Salaries	Scenario 2 – If State Currently Funds 10% of Salaries
Total Costs	\$236.1	\$337.8	\$337.8
Current State Funding	N/A	\$118.1	\$23.7
Additional State Costs	N/A	\$219.7	\$314.1

It should be noted that this analysis considers the difference between the average salary and a minimum paraprofessional salary of \$35,000. This new salary would apply to those with 0-4 years of experience, with higher salaries (and state funding) for those with more experience. Finally, additional state funding for paraprofessionals may also lead to an increase in their number.

Respectfully,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget