



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 25, 2025

Honorable Sam Park
State Representative
609 Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 49 2047)

Dear Representative Park:

The bill would revise the minimum base salary for certificated professional personnel with bachelor’s degrees in elementary and secondary public schools. Under the bill, the minimum salary would be based on the national average of beginning salaries for comparable personnel employed by public schools nationwide. The bill requires the State Board of Education to calculate the national average of beginning salaries by March 1st of each year and publish such salaries on the Department of Education’s website. Changes to the minimum base salary would be effective July 1, 2026, with the bill’s remaining provisions taking effect July 1, 2025.

As shown in **Table 1**, the Georgia Department of Education (GaDOE) estimates that the bill would require additional QBE formula funding of \$168.4 million in FY 2026, with a state share of \$127.6 million.

Table 1. QBE Costs of LC 49 2047 in FY 2026

	State	Local	Total
LC 49 2047	\$11,640,240,690	\$2,910,060,172	\$14,550,300,862
Current Law	<u>\$11,512,634,811</u>	<u>\$2,869,270,246</u>	<u>\$14,381,905,057</u>
Difference	\$127,605,879	\$40,789,926	\$168,395,805
Note: Changes in QBE earnings are borne by the state and local school systems, with the ratio dependent on Local Five Mill Share calculations made each year. Currently, the state share is 80% but could increase in future years based on changes in local property tax digests.			

Additionally, an estimated \$3.4 million across other budget programs with funding impacted by base teacher pay (e.g. Georgia Network for Educational and Therapeutic Support (GNETS), Sparsity, State Schools, Department of Juvenile Justice, and Georgia Military College) would be required to fund comparable salary adjustments in FY 2026.

The pre-kindergarten formula is also currently based on the K-12 teacher pay scale. It would cost \$4.2 million in additional state lottery funds to sustain this equal rate in FY 2026.

In total, this would result in an estimated additional state cost of \$135,244,974 million, with an expected annual growth rate of 2.4% based on growth trends of national starting pay for teachers since 2019. **(See Table 2)**

Table 2. Total Estimated State Funds Impact of LC 49 2047

	FY 2026 State Cost	FY 2027 State Cost¹	FY 2028 State Cost¹
QBE Formula	\$127,605,879	\$130,629,215	133,724,181
Non-QBE K-12 Formulas ²	\$3,357,790	\$3,437,345	\$3,518,785
Pre-K Formula	\$4,281,305	\$4,382,741	\$4,486,580
Total	\$135,244,974	\$138,449,301	\$141,729,547


¹Estimated cost escalation based on 2.4% growth rate of national starting pay for teachers as reported by the National Education Association since 2019.

²Non-QBE K-12 formulas and programs that are impacted by base teacher pay include GNETS, Sparsity, Residential Treatment Facilities, Preschool Disabilities, RESAs, Agricultural Education, Technology/Career Education, DJJ schools, and GMC Prep School. Estimated amounts shown above are based on pro-rata share of FY 2025 teacher salary increase.

Additional Information

- Based on the 2024 national average beginning salary for teachers, certificated professional personnel (e.g., teachers, administrators) would receive an increase of \$938 each (the difference between the new base salary [\$44,530] and the current base [\$43,592]). The estimate assumes that all certificated professional staff would receive the increase. Fiscal Year 2026 is the first year that the full new base salary of \$43,592 is used.
- Data used to establish a national starting salary average for teachers in this fiscal note relies solely on one source due to a lack of readily available alternative sources. If the relative availability of independent data sources continues to be limited, it could pose an issue for GaDOE to fully comply with the three-source average stated in the bill.
- GaDOE stated that the costs of annually calculating national average salaries and posting minimum base salary information to its website can likely be absorbed with existing agency funding.

Respectfully,



Greg S. Griffin
State Auditor



Richard Dunn, Director
Office of Planning and Budget

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