



Fiscal Note
H.B. 107 1st Sub. (Buff)

2020 General Session
 Effective Teachers in High Poverty Schools
 Incentive Program Amendments
 by Winder, M. (Winder, Mike.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$0	\$0	\$0

State Government

UCA 36-12-13(2)(b)

Revenues	FY 2020	FY 2021	FY 2022
Total Revenues	\$0	\$0	\$0

Enactment of this legislation likely will not materially impact state revenue.

Expenditures	FY 2020	FY 2021	FY 2022
Education Fund	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0

Enactment of this legislation may cost the State Board of Education \$481,000 ongoing from the Education Fund beginning in FY 2021 to implement the changes in the Effective Teachers in High Poverty Schools Incentive Program as outlined in the bill. This bill transfers a like amount from the School Turnaround and Leadership Development Program to fund the cost. The legislation modifies the Effective Teachers in High Poverty Schools Incentive Program and increases the annual salary bonus for educators participating in the program. The salary bonus increases from \$5,000 to \$7,000 plus employer paid benefits. The State Board of Education estimates that approximately 70-100 additional educators may qualify for the program under the changes outlined in the bill. Assuming the low end of this estimate, current participating educators, and the increase of the annual salary bonus changes outlined in this bill may cost a total of \$962,000 ongoing. Current statutory provisions require the state and the local education agency (LEA) employing a qualifying educator to split the cost of the annual salary bonus, resulting in the net state cost of \$481,000.

	FY 2020	FY 2021	FY 2022
Net All Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation may increase costs for local education agencies (LEAs) due to the increase in annual salary bonus amount from \$5,000 to \$7,000 outlined in the bill. The impact on specific LEAs will vary depending on the number of educators that qualify and meet applications requirements as outlined in statute. Estimates indicate the statewide cost for LEAs at approximately \$481,000. This amount is 50% of the total cost due to state/LEA cost sharing provisions in statute.

Individuals & Businesses

UCA 36-12-13(2)(d)

Educators that qualify for an annual salary bonus may see additional compensation due to the change in the annual salary bonus amount from \$5,000 to \$7,000. Statutory provisions provide for the payment of certain employer-paid benefits (social security and Medicare), on top of the annual bonus amount. Costs associated with individual income tax withholdings and other benefits are paid by the educator.

Regulatory Impact

UCA 36-12-13(2)(e)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.