

### Fiscal Estimate - 2019 Session

Original                     
  Updated                     
  Corrected                     
  Supplemental

<b>LRB Number</b> <b>19-4002/1</b>	<b>Introduction Number</b> <b>SB-849</b>
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**Description**  
 grants to school districts to pay student teachers an hourly wage, granting rule-making authority, and making an appropriation

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input checked="" type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		<b>5. Types of Local Government Units Affected</b>
<input type="checkbox"/> Indeterminate		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input checked="" type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.255 (2) (du)

<b>Agency/Prepared By</b> DPI/ Benjamin Kopitzke (608) 266-1344	<b>Authorized Signature</b> Erin Fath (608) 266-2804	<b>Date</b> 2/28/2020
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## Fiscal Estimate Narratives

DPI 2/28/2020

LRB Number	<b>19-4002/1</b>	Introduction Number	<b>SB-849</b>	Estimate Type	<b>Original</b>
<b>Description</b> grants to school districts to pay student teachers an hourly wage, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

Beginning in the 2020-2021 school year, this bill requires a school board to pay each student teacher who student teaches in the school district an hourly wage of at least \$15 per hour. This bill also requires the Department of Public Instruction to reimburse school boards for the cost of paying student teachers an hourly wage of \$15 per hour (LRB).

State: Create new appropriation

This bill creates a new sum sufficient appropriation from which DPI will make payments to school boards.

Based on the minimum instruction time required by state law, the low end of hours required for a semester of student teaching is 550, yielding a salary of \$8,250 per student teacher per semester. On the high end, if student teachers are compensated for 90 days of 8 hours of work, 720 total hours yields a salary of \$10,800 per student teacher per semester.

Approximately 4,800-5,000 individuals will complete their student teacher requirement next year. The actual impact would depend on the total number of individuals who student teach each year and the total number of hours for which they could receive the wage.

Local: Increase costs (mandatory), increase revenues (mandatory)

Under this bill, school boards must pay their student teachers at least \$15 per hour. If school boards only meet the statutory minimum, their expenditures will be fully reimbursed in June of the following year. However, school boards can choose to pay their student teachers more than \$15 per hour, in which case they would be responsible for paying the difference.

Additionally, school boards would likely be responsible for payroll taxes (Social Security and Medicare) on the wages paid to student teachers. The bill authorizes DPI to reimburse school boards an amount equal to the minimum wage specified in the bill. Thus, the payroll taxes associated with the required wage payments would not be reimbursed by the appropriation and would be borne by the school districts. Payroll taxes for earnings at this level would be 6.2% for Social Security and 1.45% for Medicare, for total of 7.65% of the wages paid.

Note: As school boards are reimbursed for expenses incurred during the preceding school term, they would effectively be unsupported financially during the first year of this program.

### Long-Range Fiscal Implications