

Fiscal Estimate Narratives

DPI 3/24/2022

LRB Number	21-5727/1	Introduction Number	SB-1061	Estimate Type	Original
Description longevity bonuses for teachers in school districts					

Assumptions Used in Arriving at Fiscal Estimate

The bill provides for longevity bonuses for teachers who are licensed by the Department of Public Instruction (DPI) and who teach in a school district.

Under the bill, DPI would be required to pay a \$7,000 bonus to any DPI-licensed teacher who has been employed by a school board continuously for five school years. The first school year counted for the longevity bonus payments under the bill is the 2022-23 school year; thus, DPI would begin making bonus payments in the 2027-28 school year. Teachers would be eligible for additional bonus payments for subsequent five-year periods that do not overlap. The bill specifies that the bonus is not considered earnings for the purposes of the Wisconsin Retirement System.

The bill creates a new sum sufficient appropriation from which DPI would pay the longevity bonuses. No monies are appropriated under the bill, as the payments would not begin until 2027-28 (FY28).

The amount DPI would pay in 2027-28 would depend on the number of licensed individuals employed by a school district in Wisconsin as a teacher in the 2022-23 school year who remain licensed and employed by a school district in Wisconsin as a teacher for five years (2026-27 school year).

According to DPI's public schools staffing report, in the 2020-21 school year there were close to 60,000 individuals who held a DPI license and who were employed as a teacher with a school district. However, the number of those teachers who would meet the criteria for a longevity payment as proposed under the bill is unknown. For each 10,000 individuals who do meet the criteria, the state would pay \$70,000,000 in longevity payments.

Long-Range Fiscal Implications

Each year after the initial payment year (2027-28) there would be potential for a new cohort of teachers eligible for the longevity payment.