

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number **23-4210/1** **Introduction Number** **SB-0497**

Description
 grants to school districts to pay student teachers an hourly wage, granting rule-making authority, and making an appropriation

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate
 1. Increase Costs 3. Increase Revenue
 Permissive Mandatory
 Permissive Mandatory
 2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory
 Permissive Mandatory
 5. Types of Local Government Units Affected
 Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.255 (2) (e) New appropriation

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DPI 11/9/2023

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Description 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 2024-25 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. The 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. Under the bill, annually on the third Monday in June, DPI must provide aid to school boards in an amount equal to \$15 times the total number of hours student teachers student taught in the school district during the preceding school term.

For the purposes of this estimate, the department assumes school districts will not pay student teachers more than the minimum \$15/hour wage.

State: Increase Expenditures

The bill will increase state expenditures through a newly created sum-sufficient appropriation from which the department is directed to reimburse public schools boards for the cost of paying student teachers an hourly wage of \$15 per hour.

According to the most recent state data reported to the U.S. Department of Education (USDE), Wisconsin reported 3256 Education Preparation Program Completers in 2020-21. Student teaching is required for a full semester of the cooperating school district which is generally 18 weeks for most districts. A student teacher working 40 hours a week for 18 weeks would generally teach a total of 720 hours during that semester. Based on an hourly wage of \$15, the cost to reimburse a school district would be \$10,800 per student teacher. Using the 2020-21 data of 3,256 program completers x \$10,800 the estimated reimbursable costs for that year would be \$35,164,800.

Local:

While the reimbursement from the state would provide revenue to offset the new costs of paying each student teacher/student intern \$15/hour, districts may incur some costs associated with setting up their payroll systems for making payments to student teachers/interns, but we anticipate those costs could be absorbed withing school district base budgets.

The bill is silent on whether payments to student teachers/interns would require that the school district, as the employer, to pay the employer share of payroll taxes (7.65% for federal social security and medical assistance taxes) as they do for other school district employees and whether DPI has the authority under the bill to reimburse districts for payroll taxes. If school districts would be required to cover payroll taxes (not reimbursable by the state) that would be an additional cost to school districts.

Long-Range Fiscal Implications