

Fiscal Impact Statement

94th General Assembly of the State of Arkansas
Regular Session, 2023

DATE: 2/21/2023
BILL: SB294, As originally introduced
SPONSOR: Sen. B. Davis

SUBTITLE:

TO CREATE THE LEARNS ACT; TO AMEND VARIOUS PROVISIONS OF THE ARKANSAS CODE AS THEY RELATE TO EARLY CHILDHOOD THROUGH GRADE TWELVE (12) EDUCATION IN THE STATE OF ARKANSAS; TO DECLARE AN EMERGENCY; AND TO DECLARE AN EMERGENCY.

TOPIC

√ Early Childhood through Grade Twelve Education

AFFECTED FUNDS

√ General Revenue

REVENUE IMPACT

√ Total Cost Year 1: \$297.5M/ \$150 M in new money

Total Cost Year 2: \$343.3M/ \$250M in new money (\$100 million over FY24)

Teacher Salary Increase - \$180M each year

Education Freedom Accounts – \$46.7M/97.5M

Maternity Leave - \$3M each year

Innovative Transportation - \$5M in year two

State Teacher Education Program - \$1.1M each year (Higher Education)

Teacher Academy Scholarship Fund - \$12M each year (Higher Education)

Literacy Coaches - \$6.2M each year

Supplemental Education Services - \$8.5M each year

Merit Teacher Incentive Fund - \$10M each year

High Impact Tutoring - \$20M each year

Charter School Facilities - \$10M revolving loan

ASSUMPTIONS - BASED ON:

- Teacher Salary Increase - Based on Cycle 1 data submitted for FY23, the division calculated the amount needed to get each reported teacher to \$50,000 or at least a \$2,000 raise if already above the minimum.
- Education Freedom Accounts – Anticipate 7,000 students in year one and 14,000 in year two receiving an amount equal to 90% of the prior year foundation funding amount
- Maternity Leave - The Arkansas birth rate was used to determine an estimated number of births based on classified/ certified staff.
- For certified staff anticipated cost is equal to the amount of a long-term substitute for 12 weeks.
- For classified staff anticipated cost is the hourly wage of the employee.
- This cost will be split between the state and the district.
- Innovative Transportation - This amount will be used to establish a grant program.
- State Teacher Education Program - Based on current loan forgiveness amounts this will provide for the increased eligibility.
- Teacher Academy Scholarship Fund - Based off current utilization of concurrent enrollment this will establish scholarship to be used at institution of higher education.
- Literacy Coaches - Provides for 53 coaches (GS09) with salary and operating expenses at \$6,030,000, 6 regional supervisors (GS11) with travel and operating cost estimated at \$650,000, and 1 division manager (GS13) with salary and operating expenses estimated at \$130,000.
- Supplemental Education Services - Estimating 20% of the estimated target population at \$500 per student.
- Merit Teacher Incentive Fund - Anticipation of rules being written for merit teacher incentive bonuses.
- High Impact Tutoring - This amount will be used to establish a grant program.
- Charter School Facilities - This amount will be used to establish a loan program.

ADDITIONAL COMMENTS