

MAINE STATE LEGISLATURE

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(Filing No. H-927)

EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "C" to H.P. 621, L.D. 974, "An Act to Establish Minimum Pay for Educational Technicians and Other School Support Staff"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 20-A MRSA §4016 is enacted to read:

§4016. Minimum hourly wage for educational technicians and other school support staff

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Educational technician" has the same meaning as in section 13001-A, subsection 8.

B. "Other school support staff" means a public school employee who is not an educational technician and who is paid on an hourly basis.

2. Minimum hourly wage. Except as provided in subsection 3, for the school year starting after June 30, 2025 and for each subsequent school year, the minimum hourly wage for educational technicians is equal to 150% of the minimum hourly wage established in Title 26, section 664, subsection 1 and the minimum hourly wage for other school support staff is equal to 125% of the minimum hourly wage established in Title 26, section 664, subsection 1.

3. Wage increases. If, pursuant to the requirements of Title 26, section 664, subsection 1, the minimum hourly wage is increased on January 1st of any year, the minimum hourly wage for educational technicians and other school support staff is increased beginning July 1st of the same year in an amount equal to 150% of the increased minimum hourly wage under Title 26, section 664, subsection 1 for educational technicians and in an amount equal to 125% of the increased minimum hourly wage under Title 26, section 664, subsection 1 for other school support staff.



131st MAINE LEGISLATURE

LD 974

LR 2257(05)

An Act to Establish Minimum Pay for Educational Technicians and Other School Support Staff

Fiscal Note for Bill as Amended by Committee Amendment "C" (H-927)
 Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Future biennium cost increase - local school administrative units

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	\$0	\$15,441,724	\$8,747,737
Appropriations/Allocations				
General Fund	\$0	\$0	\$15,441,724	\$8,747,737

Fiscal Detail and Notes

This bill requires that, beginning with the school year starting after June 30, 2025, the minimum hourly wage for educational technicians is 150% of the state minimum hourly wage and the minimum hourly wage for other school support staff who are paid hourly is 125% of the state minimum hourly wage. The total cost of this provision is estimated to be \$15,441,724 in fiscal year 2025-26 and \$15,904,976 in fiscal year 2026-27. The General Purpose Aid for Local Schools program within the Department of Education will require ongoing General Fund appropriations beginning in fiscal year 2025-26 for the State's share of the cost. Details of the future General Fund appropriations are provided below.

Public Law 2023, chapter 412 included a one-time General Fund appropriation of \$80,000 in fiscal year 2023-24 to the Department of Education to support the collection of current wage information for school support staff in order to estimate the cost of any wage increase on the State and municipalities. The department indicates that it was able to collect data from 89% of the school administrative units surveyed. Based on the data collected, the department estimates the total cost of the wage increase for educational technicians and other school support staff to be \$14,781,013 in fiscal year 2025-26. Assuming a 3% increase in wage costs for fiscal year 2026-27, the total cost is estimated to be \$15,224,443. This bill requires the State to fund 100% of the cost of this wage increase in fiscal year 2025-26 only. Given this requirement, the General Purpose Aid for Local Schools program will require a one-time General Fund appropriation of \$14,781,013 in fiscal year 2025-26 and ongoing General Fund appropriations of \$8,373,444 per year beginning in fiscal year 2026-27 for the State's share of the cost.

C" C" (H-927)

The increase in salaries will increase the employer contribution for the normal cost component of the Maine Public Employers Retirement System (MainePERS). The rate for the normal cost component for fiscal year 2024-25 is 4.47%. Utilizing this rate as a proxy for the 2026-2027 biennium, the additional amount local school administrative units will have to pay to MainePERS for the normal cost of teacher retirement is estimated to be \$660,711 in fiscal year 2025-26 and \$680,533 in fiscal year 2026-27. The General Purpose Aid for Local Schools program will require a one-time General Fund appropriation of \$660,711 to reimburse 100% of this cost in fiscal year 2025-26 only and ongoing General Fund appropriations of \$374,293 per year beginning in fiscal year 2026-27 to fund the State's share of this cost.

It is important to note that certain cost components within the EPS funding model are expenditure driven, while other cost components are not. For those components that are expenditure driven, it will be 2 years before the salary increase will be reflected in the total cost of education as determined by the model. Until then school administrative units will be responsible for funding 100% of the cost of this initiative. The methodology used by the department to collect current wage information for educational technicians and other school support staff did not allow for the data to be sorted by these components, so no estimate of the costs by expenditure driven and non-expenditure driven components is available.

Although not addressed in the bill, incrementally increasing minimum salary thresholds may put pressure on SAU's to raise salaries for other employees who are already above the minimum. Any additional salary increases SAU's may choose to provide would be fully funded by the SAU's unless the Commissioner of Education recommends adjusting the salary matrix within the essential programs and services funding model and these changes get implemented.