

**GENERAL ASSEMBLY OF NORTH CAROLINA**



**Session 2009**

**Legislative Fiscal Note**

**BILL NUMBER:** House Bill 160 (First Edition)

**SHORT TITLE:** TAs in Special Ed. Classes/Personal Leave.

**SPONSOR(S):** Representatives Adams, Glazier, Rapp, and Wiley

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>	<b><u>FY 2013-14</u></b>
<b>EXPENDITURES (in millions)</b>					
<b>General Fund (see note below)</b>					
<b>Increased LEA Expenditures Noninstructional Allotment</b>	\$0.08 - \$0.21	\$0.08 - \$0.21	\$0.09 - \$0.21	\$0.09 - \$0.22	\$0.09 - \$0.22
<b>Local Funds:</b>	\$0.01 - 0.03	\$0.01 - 0.03	\$0.01 - 0.03	\$0.01 - 0.03	\$0.01 - 0.03
<b>Federal Funds:</b>	\$0.05 - 0.12	\$0.05 - 0.12	\$0.05 - 0.12	\$0.05 - 0.13	\$0.05 - 0.13
<b>POSITIONS (cumulative):</b>	N/A	N/A	N/A	N/A	N/A
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Local Education Agencies (LEAs), State Public School Fund					
<b>EFFECTIVE DATE:</b> July 1, 2009.					
<b>Note on General Fund Impact:</b> This bill does not directly increase General Fund (GF) expenditures. However, it will require LEAs to use an additional \$83,778 to 222,921 per year from their Noninstructional Support allotments or local funds to cover the additional leave days taken by eligible teacher assistants as a result of this bill.					

**BILL SUMMARY:** The bill provides personal leave days to teacher assistants who are required by law to have a substitute when they are out of the classroom. Personal leave days for these teacher assistants will be under the same terms and conditions as for classroom teachers. Currently, only teacher assistants in Exceptional Children (EC) classrooms are required by law to have a substitute when they are out of the classroom.

## ASSUMPTIONS AND METHODOLOGY:

### 1. Personal Leave and Substitute Pay

This bill will provide teacher assistants in EC classrooms personal leave days under the same terms and conditions as classroom teachers. That is, teacher assistants will earn two personal leave days per year.<sup>1</sup> When these teacher assistants take personal leave, they will receive full salary, minus a \$50 required substitute deduction. The teacher assistant will not have to pay the required substitute deduction if the personal leave is taken on a non-protected teacher workday.<sup>2</sup>

This bill has different effects depending on the funding source (i.e., State, local, or federal) of the teacher assistant, so results are broken out by funding source. The substitute teacher assistant must be paid from the same source of funds as the teacher assistant that he or she is replacing. Therefore, if a State-paid teacher assistant takes a personal leave day, the substitute is paid out of the LEA's non-instructional support allotment. Similarly, when a locally- or federally-paid teacher assistant requires a substitute, it effectively reduces the amount of local or federal money available to the LEA. For each personal leave day that a substitute is required, the funds available to the LEA are reduced by an amount equal the daily rate of pay for a substitute minus the \$50 substitute deduction, when applicable. Given an average daily rate of pay for substitute teacher assistants of \$68.90,<sup>3</sup> the reduction in available funds equals \$18.90 (\$68.90 minus \$50.00) every time a substitute is needed.

### 2. Assumptions

No data exists on the percent of personal leave taken on non-protected workdays. This analysis assumes that teachers are just as likely to take personal leave on a non-protected workday as they are for all other days. Per G.S. 115C-84.2, there are 15 teacher workdays, 5 of which are protected. That leaves 10 non-protected teacher workdays. There are 195 days (180 instructional days + 15 teacher workdays) in the calendar, therefore 5.1% of all calendar days are non-protected teacher workdays. As a result, this analysis assumes that 5.1% of personal leave days are taken on non-protected workdays. Therefore, this analysis assumes that no substitute deduction is taken on 5.1% of personal leave days (i.e., a \$50 deduction is taken 94.9% of personal leave days taken by eligible teacher assistants).

As mentioned above, this bill would allow teacher assistants to earn two personal leave days per year. One can estimate how eligible teacher assistants would utilize their personal leave days based on how teachers currently utilize their personal leave. Approximately 40% of teachers used personal leave. Teachers taking personal leave use an average of 2.1 days.<sup>4</sup> It is likely that eligible teacher assistants will use their personal leave days in a similar fashion. For purposes of this analysis, a range is provided. On the low end of the range, 40% of teacher assistants use two personal leave days per year. On the high end of the range, 100% of teacher assistants use two personal leave days per year.

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<sup>1</sup> Personal leave is earned at the rate of .20 days for each full month of employment not to exceed two days per year. Unused personal leave may be carried forward from one year to another and may be accumulated to a maximum of five days.

<sup>2</sup> A non-protected teacher workday is a non-instructional day that is not protected for teachers to complete instructional and classroom administrative duties.

<sup>3</sup> Includes Social Security tax.

<sup>4</sup> Teachers earn two personal leave days each year, and can accumulate up to five days of personal leave.

Estimating costs in future years requires making assumptions on the change in the number of teacher assistants, as well as the daily rate of pay for substitutes. This analysis assumes that the number of teacher assistants will increase in accordance with DPI’s 5-year Average Daily Membership (ADM) projections. This analysis further assumes that the daily rate of pay for substitutes will increase by 1.00% per year.

### 3. Estimated Fiscal Impact of Bill

#### State-paid Teacher Assistants

For the 2009-10 fiscal year, there are 4,883 State-paid teacher assistants that would be affected by this bill. Using the assumptions detailed above, the following chart summarizes the estimated change in expenditures from this bill stemming from use of personal leave days by state-paid teacher assistants:

**Fiscal Impact of Granting Personal Leave to State-Paid Teacher Assistants**

	FY 2009-10		FY 2010-11		FY 2011-12		FY 2012-13		FY 2013-14	
Annual ADM Growth (%)	N/A		0.95%		1.62%		1.86%		1.86%	
Eligible State-Paid TAs	4,883		4,929		5,009		5,102		5,197	
% Using Personal Days	40%	100%	40%	100%	40%	100%	40%	100%	40%	100%
Total Personal Days Used	3,906	9,766	3,943	9,859	4,008	10,019	4,082	10,205	4,158	10,395
Substitute Costs	\$269,140	\$672,851	\$271,689	\$679,223	\$276,101	\$690,253	\$281,231	\$703,078	\$286,457	\$716,141
Substitute Deductions	\$185,362	\$463,405	\$187,117	\$467,794	\$190,156	\$475,391	\$193,689	\$484,223	\$197,288	\$493,220
<b>Net Cost of Personal Days</b>	<b>\$83,778</b>	<b>\$209,445</b>	<b>\$84,572</b>	<b>\$211,429</b>	<b>\$85,945</b>	<b>\$214,863</b>	<b>\$87,542</b>	<b>\$218,855</b>	<b>\$89,168</b>	<b>\$222,921</b>

The net cost of granting personal leave days to these teacher assistants would either have to be absorbed by the LEAs from within its Noninstructional Support allotment or local funds, or the State would need to appropriate more funding to cover the costs of substitute teacher pay. Note that when the General Assembly provided teachers with one day of personal leave without the required substitute deduction (SL 2008-107, Section 26.21), the General Assembly transferred additional money to the Noninstructional Support allotment to cover the additional cost of substitute teachers resulting from that provision.

#### Locally and Federally Paid Teacher Assistants

For the 2009-10 fiscal year, there are 666 locally-paid and 2,817 federally-paid teacher assistants that would gain personal leave days as a result of this bill. LEA expenditures for substitutes for locally- and federally-paid teacher assistants will similarly increase. An LEA’s expenditures for substitutes will increase with each personal leave day taken by an amount equal to the difference between the rate of pay for a substitute, and the \$50 substitute reduction (discounted by 94.9% to take into account that 5.1% of personal leave days are expected to be taken on days when no substitute deduction is required). Because substitutes must be paid from the same source of funds as the teacher assistant that he or she is replacing, the result will be fewer local and federal resources available to LEAs to be used for various other purposes (such as local teacher supplements and federally funded services for children with special needs).

**Fiscal Impact of Granting Personal Leave to Locally-Paid Teacher Assistants**

	FY 2009-10		FY 2010-11		FY 2011-12		FY 2012-13		FY 2013-14	
Annual ADM Growth (%)	N/A		0.95%		1.62%		1.86%		1.86%	
Eligible Locally-Paid TAs	666		673		684		696		709	
% Using Personal Days	40%	100%	40%	100%	40%	100%	40%	100%	40%	100%
Total Personal Days Used	533	1,333	538	1,345	547	1,367	557	1,393	567	1,418
Substitute Costs	\$36,725	\$91,814	\$37,073	\$92,683	\$37,675	\$94,188	\$38,375	\$95,938	\$39,088	\$97,721
Substitute Deductions	\$25,294	\$63,234	\$25,533	\$63,833	\$25,948	\$64,869	\$26,430	\$66,075	\$26,921	\$67,302
<b>Net Cost of Personal Days</b>	<b>\$11,432</b>	<b>\$28,580</b>	<b>\$11,540</b>	<b>\$28,850</b>	<b>\$11,728</b>	<b>\$29,319</b>	<b>\$11,945</b>	<b>\$29,864</b>	<b>\$12,167</b>	<b>\$30,419</b>

**Fiscal Impact of Granting Personal Leave to Federally-Paid Teacher Assistants**

	FY 2009-10		FY 2010-11		FY 2011-12		FY 2012-13		FY 2013-14	
Annual ADM Growth (%)	N/A		0.95%		1.62%		1.86%		1.86%	
Eligible Federally-Paid TAs	2,817		2,844		2,890		2,943		2,998	
% Using Personal Days	40%	100%	40%	100%	40%	100%	40%	100%	40%	100%
Total Personal Days Used	2,253	5,634	2,275	5,687	2,312	5,779	2,355	5,887	2,398	5,996
Substitute Costs	\$155,255	\$388,137	\$156,725	\$391,812	\$159,270	\$398,175	\$162,229	\$405,573	\$165,244	\$413,109
Substitute Deductions	\$106,927	\$267,317	\$107,939	\$269,849	\$109,692	\$274,231	\$111,730	\$279,326	\$113,806	\$284,516
<b>Net Cost of Personal Days</b>	<b>\$48,328</b>	<b>\$120,819</b>	<b>\$48,785</b>	<b>\$121,964</b>	<b>\$49,578</b>	<b>\$123,944</b>	<b>\$50,499</b>	<b>\$126,247</b>	<b>\$51,437</b>	<b>\$128,593</b>

**SOURCES OF DATA:** Department of Public Instruction

**TECHNICAL CONSIDERATIONS:** This bill will also require an Actuarial Note, as granting personal leave to additional personnel will affect retirement benefits. As explained in footnote 1, unused personal leave may be carried forward from one year to another and may be accumulated without limitation until June 30th. On June 30, personal leave in excess of 5 days is converted to sick leave so that a maximum of 5 days of personal leave are carried forward to July 1st. Upon retirement, any personal leave may also be converted to sick leave.

**FISCAL RESEARCH DIVISION: (919) 733-4910**

**PREPARED BY:** Kristopher Nordstrom

**APPROVED BY:** Marilyn Chism, Director  
Fiscal Research Division

**DATE:** March 27, 2009



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