

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 1414 (Second Edition)

SHORT TITLE: Help Teacher Assistants Become Teachers.

SPONSOR(S): Representative Pierce

	FISCAL IMPACT				
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:			N/A		
EXPENDITURES (in millions):					
State General Fund	Up to \$1.1	Up to \$1.4	Up to \$1.5	Up to \$1.5	Up to \$1.6
Local	Up to \$1.1	Up to \$1.4	Up to \$1.5	Up to \$1.5	Up to \$1.6
	See Assumptions and Methodology Section				
POSITIONS (cumulative):			N/A		
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Local Education Agencies (LEAs), State Board of Education				
EFFECTIVE DATE:	The act is effective when it becomes law.				

BILL SUMMARY: The bill creates a new statute, GS 115C-310, which requires the State Board of Education to establish a program that would support teacher assistants' (TAs') efforts to become teachers by providing that TAs "continue to receive their salary and benefits while student teaching in the same local school administrative unit where they are employed as a student teacher." The bill requires approved teacher education programs and local school administrative units to administer this program beginning with the 2005-06 academic year, provides that teacher assistant must be employed in NC public school, and may not perform his or her student teaching where employed as a teacher assistant

Source: Bill Digest H.B. 1414 (04/21/0200).

ASSUMPTIONS AND METHODOLOGY:

Cost Created by Requiring Additional Expenditure

Requiring that LEAs pay TAs who are taking what otherwise would be unpaid leave for 10 weeks creates a cost to the LEA and potentially to the State. Currently, if a TA takes unpaid leave to complete student teaching, the LEA would “save” ten weeks, or 2.5 months, of salary for the TA. This funding, which typically would come from the State dollar and categorical allotments in the Public School Fund, would either:

- 1) Be used by the LEA to pay for other purposes,
- 2) Revert to the State General Fund (if not used by the end of the fiscal year in which it was appropriated).

Information regarding how LEAs currently use the savings from TAs taking unpaid leave to teach is not available at this time. It is therefore not possible to predict with any precision whether the bill would create primarily to the LEA (through loss of funds used for other purposes) or to the State (through loss of reversion). It is clear, however, that at the very least, the bill will increase expenditures for TAs.

To estimate the magnitude of this increase, the analysis first estimates the average cost of paying a TA for who leaves his or her assigned classroom for 10 weeks to complete student teaching. This cost is estimated as follows:

Estimated Average TA Salary if Student Teaching = (Est. Avg. Annual TA Salary / 10) x 7.5

This analysis assumes that TAs that took unpaid leave to student teach worked 7.5 months as a TA, while other TAs worked the full ten months of the school year. The difference between the ten-month and the 7.5-month average TA salaries represents the “lost savings”/additional expenditures for the LEAs or to the State as a result of the bill.

In order to estimate the additional expenditures in future years, the estimated average TA salary for FY 2005-06 is increased using the average growth rate of TA salaries for the past three fiscal years (three percent). The calculation is repeated for subsequent years, and results of these calculations are summarized in the table below:

Table 1: Estimated Additional Expenditures, FY 2005-06 through FY 2009-10

Fiscal Year	Estimated TA 10 Month Average Salary Inc. Benefits	Estimated TA 10 Month Avg. Salary for a TA Student Teaching	Difference (TA Avg. - TA Student Teach Avg.)
2005-06	\$ 23,258	\$ 17,444	\$ 5,815
2006-07	\$ 23,956	\$ 17,967	\$ 5,989
2007-08	\$ 24,674	\$ 18,506	\$ 6,169
2008-09	\$ 25,415	\$ 19,061	\$ 6,354
2009-10	\$ 26,177	\$ 19,633	\$ 6,544

The analysis next estimates the total number of TAs who will complete their student teaching in a given year. There is no single source of information on the number of Teaching Assistants

pursuing teacher licensure in the state. However, the number of applications for Teaching Assistant Scholarship Fund (TASF) scholarships serve as a reasonable proxy for the number of TAs that would be affected by the bill. TASF scholarships seems to be an appropriate proxy for several reasons:

- 1) TAs need to be working full-time and enrolled in a certification/teacher education program to be eligible
- 2) This is a Statewide program, promoted to all LEAs
- 3) The applicant pool represents TAs that are interested in becoming teachers, whether or not they are awarded a scholarship

The four-year average number of new applicants for TASF scholarships is 311. This number represents a cohort of TAs that would begin the licensure process and thus at some point would need to student teach. As there is student attrition in any program, however, it is unlikely that the entire cohort would make it to the student teaching phase. Since information on the exact attrition rate is not available, this analysis creates a range in order to determine the potential high and low fiscal impact of the bill. Reliable information on attrition by TAs is not available, so this analysis assumes that low attrition would result in seventy-five percent of TAs in a cohort would student teach and that high attrition would result in twenty-five percent of TAs in a cohort would student teach.

These percentages were used with the estimated cohort size to determine a number for a cohort that would student teach. These numbers were then multiplied by the estimated additional cost per TA student teaching to obtain estimated additional expenditures for TAs. The results of this calculation are summarized in the table below:

Table 2: FY 2005-06 Estimated Additional Expenditures

Percent of TAs that Student Teach	Estimated Number of TAs that Student Teach	Estimated Additional Expense for LEAs
75 Percent	233	\$ 1,050,791
25 Percent	78	\$ 350,264

To determine the aggregate loss of expenditure flexibility in future years, the average growth rate for State-paid TA positions for the past two fiscal years (0.70%) was multiplied by the estimated cohort size in order to determine the potential growth in the number of TAs that would pursue teacher licensure.¹ These numbers were used in the calculations as above, and the results of this are summarized in the table on the next page:

¹ The past two years were used instead of three because until the past two years, the growth in TA positions has been negative. The number of TAs in the past few years has fluctuated, but it did not seem wise to assume that the number would go down constantly over the next five years.

Table 3: Estimated Loss of Expenditure Flexibility, FY 2006-07 through FY 2009-10

	2006-07	2007-08	2008-09	2009-10
Estimated Cohort Size	313	315	318	320
Number if 75% of Cohort Student Teaches	235	237	238	240
Number if 25% of Cohort Student Teaches	78	79	79	80
Estimated Impact with 75% of Cohort Student Teaching	\$ 1,406,841	\$ 1,459,339	\$ 1,513,796	\$ 1,570,285
Estimated Impact with 25% of Cohort Student Teaching	\$ 468,947	\$ 486,446	\$ 504,599	\$ 523,428

Distribution of Costs Statewide

These additional costs would be diffused across the State. Cost to an individual LEA would vary according to the numbers of TAs that the LEA had in the proposed program. Further, as TAs would likely student teach at different times, the cost in any given LEA could be spread over several years.

Potential Cost Created by Need for Replacement TAs

If one assumes that the LEA would maintain the same level of instructional service to students in classrooms in which the TA is out for 2.5 months, one would assume that the LEA would use other funds to hire a temporary replacement for the TA. While the cost of the replacement TA may not equal exactly the savings from the incumbent being on unpaid leave, for simplicity, this analysis assumes that those costs would match. In that case, additional cost created by the bill would be the result of “double paying” for 2.5 months for: (i) the replacement TA and (ii) the incumbent TA. Since the cost of paying for the replacement is assumed to be the same as the cost of paying the incumbent, this second component of cost created by the bill effectively doubles the additional expenditures identified above. Since the State currently appropriates funds to pay for teacher assistants, it is assumed that the General Assembly would consider appropriating additional funding to cover these additional expenditures for replacement TAs. This cost is therefore reflected above as a potential cost to the State General Fund.

SOURCES OF DATA: Department of Public Instruction, Model Teacher Education Consortium.

TECHNICAL CONSIDERATIONS:

This analysis also assumes that the program would be for state paid TA’s only. If TA’s paid from local or federal sources are included, the state or local governments could face additional costs as it is unlikely that federal dollars could be used to pay TAs while they are student teaching. State or local funds would likely have to pay these TAs during their student teaching, which would represent a new cost. There is no available data to determine the breakdown of TAs pursuing licensure by the source of funds used to pay them in order to estimate this cost.

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Signed Copy Located in the NCGA Principal Clerk's Offices