TENNESSEE GENERAL ASSEMBLY FISCAL REVIEW COMMITTEE



## FISCAL NOTE

HB 983 - SB 1458

February 13, 2023

**SUMMARY OF BILL:** Requires local education agencies (LEAs) to grant 12 work weeks of paid leave to any teacher, principal, supervisor, or other individuals required to hold a valid license of qualification for employment in an LEA after the birth or stillbirth of the employee's child or the employee's adoption of a minor child if such employee has been employed for at least 12 consecutive months with an LEA and provides 30-days prior notice.

## **FISCAL IMPACT:**

Increase Local Expenditures - \$39,160,700/FY23-24 and Subsequent Years\*

Other Fiscal Impact - There could be additional expenditures and liabilities incurred by the Department of Children's Services and the Department of Education related to employees of the special school districts. Any increase is unknown but is assumed to be accommodated within the payroll equity of each department.

Assumptions:

- Based on data from the U.S. Census Bureau, approximately 2,221,408, or 32 percent, of the state's total population is between the ages of 20 to 44.
- Based on data from the Department of Health and the CDC, it is estimated that approximately 82,196, or 3.70 percent of the population between the ages of 20-44, will experience a birth or stillbirth of a child or will adopt a child.
- Based on the 2021 Annual Report from the Department of Education there are 87,288 certified personnel in the LEAs.
- The National Center for Education Statistics reported that approximately 70.80 percent of teachers are under the age of 50. It is assumed this percent is representative of all certified personnel in LEAs meaning 61,800 personnel (87,288 x 70.80%) will meet the eligibility requirements to receive the proposed leave.
- It is further assumed this population will experience a similar rate of births, stillbirths and adoptions as the state population; therefore, approximately 2,287 (61,800 x 3.70%) LEA certified personnel will experience a life event that results in receiving 12 weeks of paid leave.
- According to the Basic Education Program Review Committee 2022 Annual Report, the average licensed salary was \$58,620 in FY21-22.
- The estimated increase LEAs paying for 12 weeks of paid leave is \$30,933,842.

School certified population	87,288
Population 49 years of age and under	61,800
Total population 12 weeks paid leave	2,287
Average salary	\$ 58,620
Salary for 12 weeks	\$ 13,527.69
Total increase for 12 weeks paid leave	\$ 30,933,842

- On average, females take at least six weeks of maternity leave; therefore, LEAs will need to hire substitute teachers for at least six weeks (12 weeks 6 weeks) that female instructional staff are on leave.
- Instructional staff account for approximately 71 percent of all staff and females account for approximately 75 percent of all instructional staff, resulting in approximately 1,218 substitute teachers (2,287 leave population x 71% x 75%) being hired for a six-week period of time.
- On average, men take at least two weeks of paternity leave; therefore, LEAs will need to hire substitute teachers for at least ten weeks (12 weeks 2 weeks) that male instructional staff are on leave.
- Instructional staff account for approximately 71 percent of all staff and males account for approximately 25 percent of all instructional staff, resulting in approximately 406 substitute teachers (2,287 leave population x 71% x 25%) being hired for a ten-week period of time.
- The average salary for a substitute teacher in Tennessee is \$37,642. The estimated increase in local expenditures is \$8,226,894.

Substitute teacher salary	\$ 37,642
Instructional substitutes	1,624
Total weeks for all substitutes	11,365
Total cost	\$ 8,226,894

- The total estimated increase in local government expenditures is \$39,160,736 (\$30,933,842 + \$8,226,894).
- It is assumed that employees of the Department of Children's Services special school district and the Achievement School District administered by the Department of Education will also qualify for the provisions of proposed legislation. Due to several unknown variables, an exact impact cannot be quantified. It is reasonably assumed that any increase in expenditures can be accommodated within the payroll equity of such departments.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.* 

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

Kiista Lee Caroner

Krista Lee Carsner, Executive Director

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