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:

Prepared by the Arkansas Department of Education
• 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**