

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3537-02  
Bill No.: HCS for HB 1380  
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept  
Type: Original  
Date: February 13, 2004

---

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>General Revenue</b>	(\$3,947,351)	(\$3,947,351)	(\$3,947,351)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$3,947,351)</b>	<b>(\$3,947,351)</b>	<b>(\$3,947,351)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>State School Moneys Fund*</b>	\$0	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Offsetting Transfers In and Out total \$3,947,351**

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Offsetting Transfers In and Disbursements total \$3,947,351

#### FISCAL ANALYSIS

##### ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** stated the proposal should not result in additional costs or savings to BAP. The proposal's impact to general revenue could be greater than \$4 million due to removal of the proration factor for the career ladder program and exempting EPA fines from Pettis County deductions in the formula calculation.

Officials from the **Department of Elementary and Secondary Education (DESE)** stated the FY05 projected need to pay the 2003-04 Career Ladder obligations is \$39,473,501. Because the foundation formula proration is less than 1.00 and the Career Ladder payment cannot currently be paid at a higher percentage (proration) than the foundation formula, the FY05 budget request for Career Ladder is \$35,526,150. Paying 100% of the Career Ladder obligation increases the state cost \$3,947,351 above the FY05 budget request.

**Oversight** assumes the Pettis County funds will have no fiscal impact on general revenue or state school moneys fund.

Officials from the **Pettis County School Districts** did not respond to our request for fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Department of Elementary and Secondary Education - Career Ladder	(\$3,947,351)	(\$3,947,351)	(\$3,957,351)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$3,947,351)</u></b>	<b><u>(\$3,947,351)</u></b>	<b><u>(\$3,957,351)</u></b>
<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<b>STATE SCHOOL MONEYS FUND</b>			
<u>Transfer In</u> - General Revenue	\$3,947,351	\$39,947,351	\$3,947,351
<u>Transfer Out</u> - School Districts - Career Ladder Payments	<u>(\$3,947,351)</u>	<u>(\$3,947,351)</u>	<u>(\$3,947,351)</u>
<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<b>SCHOOL DISTRICTS</b>			
<u>Transfer In</u> - State School Moneys Fund - Career Ladder Payments	\$3,947,351	\$3,947,351	\$3,947,351
<u>Cost</u> - Career Ladder Payments to teachers	<u>(\$3,947,351)</u>	<u>(\$3,947,351)</u>	<u>(\$3,947,351)</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Small Business</u>			

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal removes the proration factor for the Career Ladder program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

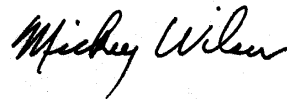
SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of Administration  
Division of Budget and Planning

**NOT RESPONDING**

**Pettis County School Districts:**

**Pettis Co R-V  
La Monte R-IV  
Smithton R-VI  
Green Rdige R-VIII  
Pettis Co R-II  
Sedalia 200**



Mickey Wilson, CPA  
Director  
February 13, 2004