

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3702-01  
Bill No.: HB 1041  
Subject: Elementary and Secondary Education; Teachers  
Type: Original  
Date: January 14, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Less than \$100,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Less than \$100,000)</b>	<b>\$0</b>	<b>\$0</b>

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>(Greater than \$100,000)</b>	<b>(Greater than \$100,000)</b>	<b>(Greater than \$100,000)</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Joint Committee on Public Employee Retirement** stated this proposal would not affect retirement plan benefits as defined in Section 105.660(5).

Officials from the **Public School Retirement System of Missouri** stated this proposal would have no fiscal impact on the Public School and Non-teacher School Employee Retirement Systems of Missouri.

#### **Section 168.021**

Officials from the **Department of Elementary and Secondary Education (DESE)** assume DESE would incur costs to upgrade computer systems to track appropriate certification data. Collecting another piece of data on test scores would entail more staff time. DESE does not expect these costs to exceed \$100,000.

**Oversight** assumes the computer upgrade costs would only be incurred in FY 2005 and that additional data collection costs could be absorbed within existing resources.

ASSUMPTION (continued)

Section 168.124

Officials from DESE indicate this section would have no fiscal impact on their agency; however, the proposal could result in significant costs for local school districts.

In response to similar legislation proposed this session, two school districts, **Parkway School District** and **Mexico School District**, indicated costs would be significant. The Mexico School District estimated the cost to be from \$7,500 to \$15,000 per teacher. **Oversight** assumes costs to school districts would be in excess of \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**GENERAL REVENUE FUND**

Cost - Elementary and Secondary

Education - Programming Costs (Section 168.021)	(Less than \$100,000)	\$0	\$0
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**ESTIMATED NET EFFECT ON  
GENERAL REVENUE FUND**

<u>(Less than \$100,000)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**SCHOOL DISTRICTS**

Partial Payment of Contracts (Section 168.124)

(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
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**ESTIMATED NET EFFECT ON  
SCHOOL DISTRICTS**

<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>
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FISCAL IMPACT - Small Business

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

## DESCRIPTION

### SECTION 162.032 - Insurance for Retired Teachers in Dissolved School Districts

Requires successor school districts to ensure access to continuation of health care for retired teachers and employees of a district that lapses, is merged or divided, or otherwise loses its corporate structure, if the original district provided health care benefits at the time of its dissolution.

### SECTION 168.021 - Certificates of License to Teach

Adds an option for teachers whose certification originates with the American Board for Certification of Teacher Excellence and permits DESE, at its own discretion, to recognize certificates from other federally approved teacher certification organizations.

### SECTION 168.110 - Teacher Hiring Incentives

Permits districts to offer hiring incentives and salary schedule modifications under certain circumstances.

### SECTION 168.124; SECTION 168.291 - Leave of Absence Without Pay

School districts are given the ability to suspend for one year the statutory force-reduction provisions relating to teachers and employees when school aid appropriations do not keep pace with inflation and the district has any one of a number of markers of academic or financial distress. Districts that place contracted teachers on leave of absence are responsible for partial payment of the teacher's contract under certain circumstances.

If a school district places a contracted teacher on leave of absence after thirty days, but less than sixty days, subsequent to the Governor signing the Elementary and Secondary Education appropriation bill, the district shall pay the affected teacher one quarter of the value of that teacher's contract. If a school district places a contracted teacher on leave of absence after sixty days subsequent to the Governor signing the Elementary and Secondary Education appropriation bill, but before half of that school year is completed, the district shall pay the affected teacher one half of the value of that teacher's contract.

This proposal contains an emergency clause for sections 168.110, 168.124, and 169.291. These sections shall go into effect on July 1, 2004 or upon passage or approval whichever later occurs.

DESCRIPTION (Continued)

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  
Joint Committee on Public Employee Retirement  
Public School Retirement System of MO  
Parkway School District  
Mexico School District



Mickey Wilson, CPA  
Director  
January 14, 2004