

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3607-01  
Bill No.: HB 1151  
Subject: Education, Elementary and Secondary: Salaries; Teachers  
Type: Original  
Date: January 23, 2006

---

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>(Unknown - Expected to Exceed \$100,000)</b>	<b>(Unknown - Expected to Exceed \$100,000)</b>	<b>(Unknown - Expected to Exceed \$100,000)</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

According to officials from the **Department of Elementary and Secondary Education (DESE)**, there would be no fiscal impact to their agency. Costs to school districts would depend upon participation and the level at which districts choose to offer incentives. DESE could not estimate the potential cost, but it could be significant.

Officials from the **Columbia School District** stated that the fiscal impact to their district is unknown, but would be part of the Board of Education's annual staff compensation discussion.

Officials from the **Kansas City, Missouri Public School District** state their district has historically experienced teacher shortages in some subject areas. Providing incentive pay would be an additional cost, but would be beneficial if it results in recruiting teachers who remain with their district longer than the required employment term.

Officials from the **Poplar Bluff School District** state this proposed legislation would not require a school to be financially impacted. However, it could have a financial impact on those schools who opt to participate in the incentives.

ASSUMPTION (continued)

**Oversight** assumes that even if only a limited number of school districts offered hiring incentives or salary schedule modifications, the fiscal impact could easily exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
---	---------------------	---------	---------

**SCHOOL DISTRICTS**

<u>Cost</u> - Hiring incentives and salary schedule modifications	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)
--	---	---	---

<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<u>(Unknown - Expected to Exceed \$100,000)</u>	<u>(Unknown - Expected to Exceed \$100,000)</u>	<u>(Unknown - Expected to Exceed \$100,000)</u>
---	---	---	---

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal gives school districts the right to use hiring incentives and create salary schedule modifications, which can include credit for all prior years of service in another district, to attract and retain teachers. Teachers must be certificated in subject areas that have a demonstrated teacher shortage. Districts can also grant incentives or modifications for teachers with qualities or credentials that are suited to a district's academic needs. Teachers may be required to teach in

DESCRIPTION (continued)

the district offering the incentive for up to three years.

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  
School Districts  
    Columbia  
    Poplar Bluff  
    Kansas City



Mickey Wilson, CPA  
Director  
January 23, 2006