

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0230-03  
Bill No.: HCS for HB 417  
Subject: Education, Elementary and Secondary: Elementary and Secondary Education  
Dept; Teachers  
Type: Original  
Date: March 5, 2007

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Bill Summary: Establishes the Competitive Advantage Act

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<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>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<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>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<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 FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact to the SOS office for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Elementary and Secondary Education (DES)** state that §168.021 of this proposal establishes a new licensure method. Each prospective teacher would have to have his/her transcripts evaluated. Based on a "relevant" bachelor's degree in math, accounting, or finance, the department would issue a certificate. There appear to be no requirements for the district wanting to hire the person; therefore, DES could get flooded with any number of requests. If as few as 1,000 people applied, it would take 4 hours each to process. This would require 1.0 FTE administrative assistant and 1.0 FTE supervisor to accommodate the workload. DES indicated they had no way to estimate the number of applicants. (§168.021)

**Oversight** assumes that this section of the proposal expands the certification criteria, on the basis of a relevant bachelor's degree, or higher degree, and a passing score for the designated exit examination, for individuals whose academic degree and professional experience are suitable to provide a basis for instruction solely in the subject matter of banking or financial responsibility be granted teaching certificates, at the discretion of the State Board of Education. Each school district shall have the decision-making authority on whether to hire the holders of such certificates. Since the number of potential applicants is unknown, for fiscal note purposes, **Oversight** assumes the program can be administered with existing resources. If the amount of applicants is large and additional personnel are needed, funds to support the program would be sought through the appropriations process.

Officials from the **Parkway School District** assume there would be no cost to their district as a result of this proposed legislation.

**Oversight** assume that the provisions of the proposal that deal with salary schedule modifications or hiring incentives are permissive, therefore, no fiscal impact is assigned to the

local school districts. (§ 168.110 & 168.126)

FISCAL IMPACT - State Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

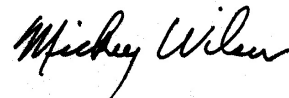
FISCAL DESCRIPTION

This proposed legislation appears to have no fiscal impact.

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 Secretary of State  
Administrative Rules Division  
Parkway School District



Mickey Wilson, CPA  
Director  
March 5, 2007