

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4426-01  
Bill No.: HB 2109  
Subject: Business and Commerce: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: March 11, 2008

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Bill Summary: Encourages school district participation in the Baldrige Continuous Quality Improvement Program

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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 2009	FY 2010	FY 2011
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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 2009	FY 2010	FY 2011
<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 2009	FY 2010	FY 2011
<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 for this proposal 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 (DESE)** assume the proposed legislation states that in an attendance center that is participating in the Baldrige continuous quality improvement process and successfully meeting or exceeding benchmarks set by the local school district, the district shall not be required to provide a match for teachers participating in the career ladder program. The fiscal impact of the proposal is unknown but is expected to be significant.

Per this proposal, the state will fund 100% supplement of each eligible teacher participating:

Stage I	=	\$1,500
Stage II	=	\$3,000
Stage III	=	\$5,000

In FY07 statewide, 3,625 teachers participated on Stage I; 4,357 teachers participated on Stage II; and 9,728 teachers participated on Stage III from 338 Career Ladder districts. Currently, per section 168.515.3, school districts provide career ladder funding at 40%, 50%, or 60% unless a teacher within the district qualifies for ""historic match"" in which case the district's matching funds range anywhere from 65% to 90% for that teacher.

DESE does not know the number of career ladder districts which will be chosen to participate in the program, therefore, cannot determine the number of teachers on each career ladder stage per participant district. In addition, the application fees for a district to participate are not stated, training costs for each continuous quality award examiner are unknown, and substitute teacher costs for an examiner to attend training sessions are unknown.

ASSUMPTION (continued)

**Oversight** notes that, according to the National Institute of Standards and Technology (NIST) web site, that application fees are \$500 for non-profit education institutions. These fees would qualify for grant funding under the "statewide areas of critical need for learning and development" monies appropriated each year to DESE. NIST was selected by Congress to design and manage the award program. **Oversight** also notes that only four school districts in the country have been recipients of the award since its inception in 1988. **Oversight** assumes the fiscal impact (cost) to DESE would be minimal and that the positive fiscal impact to any school district receiving the award would not occur until beyond the scope of the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The 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.

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of Secretary of State  
Administrative Rules Division

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 11, 2008