

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4957-03
Bill No.: HCS for HBs 2281, 2489 & 2537
Subject: Education, Elementary and Secondary Education: Elementary and Secondary Education Department
Type: Original
Date: April 25, 2008

Bill Summary: Requires school districts to disclose the total compensation packages of school administrators; Allows two or more adjacent school districts to share a superintendent when at least one of the districts' accreditation status is "accredited" or "provisionally accredited"; Changes the maximum percentage of increase in annual compensation in the final average salary for members of the Missouri Public School System

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

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.

§165.111

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this section of the proposal will likely result in advertising costs and increased employee time for local school districts. DESE defers to the districts regarding total costs.

This section requires DESE to publish the information on the Internet web site. This requirement will increase employee work time but will not likely result in significant additional costs.

DESE provided the following OAITSD estimates of cost:

In order to collect, store, and make available for viewing data concerning school district staff compensation, some additional storage and either new programs or modifications to existing programs would be required.

This work is estimated between 160 to 260 man-hours.

Cost if done with State staff would be between \$4,000 and \$6,500

Cost if done with consulting staff would be between \$12,800 and \$20,800

Based on IT responses from other agencies, Oversight estimates the IT portion of this request can be accomplished within existing resources; however, if priorities shift, additional FTE/overtime would be needed to implement. Funding would be requested through the budget process

§168.218

Officials from the **Department of Elementary and Secondary Education** state this section will

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ASSUMPTION (continued)

have no fiscal impact on their agency or on local school districts.

Officials from the **Francis Howell School District** assume districts taking advantage of this legislative change may reduce expenses.

Officials from the **Marshfield School District** state salary and benefits saved may be from \$40,000 to \$50,000 per district if they do not have to add other staff to help fill the void.

Officials from the **Poplar Bluff School District** state there would be no fiscal impact to their school district.

Oversight assumes there would be savings to participating districts. Not knowing how many, if any, districts would participate, **Oversight** will show a positive impact from \$0 to Unknown.

§169.010 & 169.020

The **Joint Committee on Public Employee Retirement** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660 (5).

Officials from the **Public School and Education Employee Retirement Systems of Missouri (PSRS)** state this proposal will have no fiscal impact on their agency. A similar request was sent to PSRS actuaries (Gabrial, Roeder, Smith and Company), who estimated that while there would be some financial impact to the plan, the cost impact would be immaterial.

<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
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LOCAL POLITICAL SUBDIVISIONS

<u>Savings</u> - School Districts - Superintendent salaries and benefits	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</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.

FISCAL DESCRIPTION

§168.218

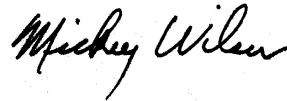
Two or more adjacent school districts may share a superintendent who possesses a valid Missouri superintendent's license when at least one of the sharing districts is classified as accredited or provisionally accredited by the state board of education.

Section 169.010 has an emergency clause.

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
Public School and Education Employee Retirement Systems of Missouri
Office of Secretary of State
 Administrative Rules Division
School Districts
 Francis Howell
 Marshfield
 Poplar Bluff

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

Mickey Wilson, CPA
Director
April 25, 2008