

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2357-01  
Bill No.: HB 1030  
Subject: Education, Elementary and Secondary: Elementary and Secondary Education  
Department; Teachers  
Type: Original  
Date: April 17, 2009

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Bill Summary: This proposal establishes an alternative hearing method for dismissing tenured teachers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Office of Administration - Administrative Hearing Commission** and the **Department of Labor and Industrial Relations** state this proposal will have no fiscal impact on their respective agencies.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this proposal makes metropolitan school districts no longer an exception when defining "board of education". The proposal also appears to place termination hearing duties in the hands of a hearing officer (rather than the local school board) who shall not be a resident of the school district. The cost of the hearing shall include the reasonable and customary per diem allowance for the hearing officer and the reasonable and necessary expenses of the hearing officer.

DESE assumes 50-100 hearings per year (2-day hearings at \$575-\$1,945 per diem), transcription costs of \$150 - \$350 per hearing, and reasonable and necessary expenses of \$260 per hearing for an estimated annual cost of \$98,500 to \$511,000.

Officials from the **Special School District of St Louis County** state this proposal would have no fiscal impact unless they decided to use the alternate hearing procedure. The cost for the hearing office would be an additional cost compared to the school board hearings they have now which are rare in occurrence.

Officials from the **Francis Howell School District** stated the hearing officer costs are

ASSUMPTION (continued)

approximately \$250 per hour and a tenured teacher termination hearing typically takes six hours or more. The cost of choosing the alternative form of hearing could be estimated at \$1,500 per hearing.

**Oversight** assumes the proposal is permissive in that local boards of education, at their discretion, may adopt an alternative hearing procedure for all terminations of indefinite contracts. **Oversight** will assign no fiscal impact to local school districts.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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.

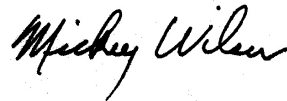
FISCAL DESCRIPTION

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.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of State Courts Administrator  
Department of Labor and Industrial Relations  
Office of Administration  
    Administrative Hearing Commission  
Office of Secretary of State  
    Administrative Rules Division  
School Districts  
    Special School District of St Louis County  
    Francis Howell



Mickey Wilson, CPA  
Director  
April 17, 2009