

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4976-01
Bill No.: HB 1493
Subject: Teachers; Elementary and Secondary Education
Type: Original
Date: March 1, 2018

Bill Summary: This proposal requires school districts to recognize certain graduate and undergraduate hours as equivalent to a master's degree on the salary schedule.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal will have no fiscal impact on their organization.

Officials from the **Northeast Nodaway R-5 School District** assume an unknown impact.

Officials from the **Summersville R2 School District** assume a varying fiscal impact depending on the district and number of certified staff members affected.

Officials from the **West Plains School District** assume this proposal would increase local expenses related to salary. The estimated increase in costs is \$100,000 - \$300,000 annually.

Officials from the **Osage R-2 School District** assume the cost of this proposal would be \$1,125 per teacher. Current, staff would not qualify based on records. New teachers or teachers who take additional courses would qualify at this increase.

Officials from the **Wellsville-Middletown R-1 School District** assume this proposal is not likely to cost the district much money.

Officials from the **Macon County R-IV School District** assume this proposal would result in relatively low cost in this district but potentially could be very expensive in larger districts and/or districts closer to higher education centers.

Oversight notes the average teacher salary in Missouri in 2017 was \$48,619 with teachers having an average of 12.3 years of experience and 58.6% of teachers having a master's degree or higher. Oversight will show an unknown cost to school districts for additional costs related to salary compensation for staff that have completed 30 or more hours of graduate or undergraduate course work in a field closely related to subjects taught by the teacher.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL SCHOOL DISTRICTS			
<u>Cost</u> - increase in salary compensation for graduate or undergraduate course work	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill specifies that if a teacher has earned 30 or more graduate or undergraduate-level course hours in a closely related subject taught by the teacher, he or she shall be considered by the school district to have a master's degree in the academic teaching field for the purposes of determining his or her salary compensation. If a district employee holds a master's degree in educational administration and earns additional graduate-level credit hours beyond the master's degree, his or her compensation shall not be increased on the salary schedule used by the district due to the additional credit hours unless he or she holds an administrative position.

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
Northeast Nodaway R-5 School District
Summersville R2 School District
West Plains School District

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SOURCES OF INFORMATION (continued)

Osage R-2 School District
Wellsville-Middletown R-1 School District
Macon County R-IV School District

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope". The signature is stylized with a large initial "R" and a long horizontal stroke at the end.

Acting Director
March 1, 2018