

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1525H.02C
Bill No.: HCS for HB 608
Subject: Teachers; Education, Elementary and Secondary; Elementary and Secondary
Education, Department of
Type: Original
Date: April 20, 2021

Bill Summary: This proposal establishes qualifications for substitute teachers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$146,063)	(\$57,114)	(\$57,676)
Total Estimated Net Effect on General Revenue	(\$146,063)	(\$57,114)	(\$57,676)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 168.036 Substitute Teachers

Subsection 168.036.4 - officials from **Department of Elementary and Secondary Education** state this section allows the State Board of Education to grant a certificate to any highly qualified individual with certain expertise or experience in the Armed Forces, explained further in the bill, that may not meet any other qualifications if the school board of the seeking school district votes to approve that individual to substitute teach at that district. Doing so would require a new application and process for districts to recommend these individuals at which the department estimates a cost of \$30,000.

Subsection 168.036.7 - currently, substitute certificates expire at the end of four years and may be renewed. The new language in this subsection would allow substitute certificates to expire at any point in time and will have a substantial fiscal impact to the department. The substitute certification process will need to be redesigned to comply with this language as well as a new reporting database will need to be created for districts to notify the department on substitute statuses. DESE estimates this will cost around \$60,000. The department also estimates one (1) additional FTE Administrative Assistant (\$27,960) will be needed as well.

Oversight will show the costs as estimated by DESE.

Oversight notes, per DESE's [website](#), an emergency action passed by the State Board of Education in August 2020 which allowed online training to earn a substitute teacher certificate has expired.

Upon further inquiry, **DESE** stated this proposal would make the online training a permanent option. However, it is important to note that the State Board of Education requested performance data on substitute teachers taking the online training for the purpose of determining whether or not to reintroduce the rule and make the online training option permanent. They are in the process of doing that right now. There are no vendor costs for DESE. The fee is paid by the participant to the vendor. DESE only receives a small certification fee for processing the application and issuing the certificate.

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight assumes the online training fee would be paid to the vendor providing the training. Oversight assumes the revenue generated from the certification fee for processing the application

and issuing the certificate would be immaterial. Therefore, Oversight will reflect a zero impact on the fiscal note for that agency.

In response to a similar proposal, HB 608 (2021), officials from the **Affton 101 School District**, **High Point R-III School District** and the **Springfield R-XII School District** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight does not anticipate a fiscal impact to school districts. However, Oversight received a limited number of responses from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain within their core budget. Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Costs</u> - DESE - new application and process - §168.036.4 p. 3	(\$30,000)	\$0	\$0
<u>Costs</u> - DESE - new certification process and database - §168.036.7 p. 3	(\$60,000)	\$0	\$0
<u>Costs</u> - DESE - §168.036.7			
Personal Service	(\$23,300)	(\$28,240)	(\$28,522)
Fringe Benefits	(\$17,814)	(\$21,471)	(\$21,566)
Expense & Equipment	(\$14,949)	(\$7,403)	(\$7,588)
<u>Total Costs</u>	(\$56,063)	(\$57,114)	(\$57,676)
FTE Change p. 3	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT OF GENERAL REVENUE	<u>(\$146,063)</u>	<u>(\$57,114)</u>	<u>(\$57,676)</u>
Estimated Net FTE Change for General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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

This bill provides a new four year certification method for individuals that want to substitute teach. The State Board of Education will issue certificates with a background check and a sponsorship by a public school district. Applicants for certification must also have at least 36 college hours or have completed a 20 hour online training and have a high school diploma or equivalency. Individuals must also complete a two hour orientation containing instruction on

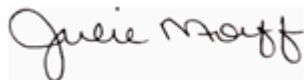
classroom management and developed by the district that sponsors them. Certificates will expire if the individual fails to substitute teach for at least five days or 40 hours in a calendar year. The bill also requires the Department of Elementary and Secondary Education to develop an online substitute training program with 20 hours of training related to subjects appropriate for substitute teaching.

The bill provides substitute teachers that apply for a fingerprint background check the opportunity to submit the results to up to five different school districts for a specified fee.

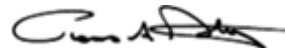
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Public Safety - Missouri Highway Patrol
High Point R-III School District
Gordon Parks Elementary School
Affton 101 School District



Julie Morff
Director
April 20, 2021



Ross Strobe
Assistant Director
April 20, 2021