

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0419H.03C
Bill No.: HCS for HB 607
Subject: Education, Elementary and Secondary; Teachers; Department of Elementary and Secondary Education
Type: Original
Date: February 12, 2025

Bill Summary: This proposal changes teacher salary provisions and the Teacher Baseline Salary Grant Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

* There is the potential that some schools will become eligible for additional (1% up to 2%) state aid payments that otherwise would not have been eligible. Oversight assumes this cost would not exceed \$250,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☐ 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 2026	FY 2027	FY 2028
Local Government*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

* There is the potential that some schools will become eligible for additional (1% up to 2%) state aid payments that otherwise would not have been eligible. Oversight assumes this revenue would not exceed \$250,000.

FISCAL ANALYSIS

ASSUMPTION

Section 163.045 - Additional funding to school districts with 169-day school calendar

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

In addition, DESE provided the Department does not collect final calendars till the school year is complete, so based upon the School Year (SY) 2024 actual calendar only 49 school districts had calendars for all students claimed for state aid of 169 days or more. Please note, many LEA's are reviewing their SY 2025 calendars and considering adjustments based upon their LEA's specific benefit if they ensure calendars for all students claimed for state aid equal or exceed 169 days. DESE expects these numbers to fluctuate as schools make decisions and changes to their calendars.

Oversight notes Section 163.045 clarifies language relating to additional funding for teacher salaries that districts receive if the district has a school calendar with 169 school days. The clarification provided allows for inclement weather or authorized reductions to the number of days the district must be in session to qualify for the funding

Oversight has no way to determine how many schools will adjust their school calendar to a 169 day or more school term to obtain additional funding. There is potential that more schools will become eligible for the amount equal to one percent for fiscal years 2026 and 2027, or two percent for fiscal year 2028 and all subsequent fiscal years, of each district's preceding year's annual state aid entitlement moving forward. Therefore, Oversight will reflect a \$0 or Unknown cost to GR, as well as a \$0 to Unknown gain to school districts in the fiscal note.

Section 163.172 - Baseline Teacher Salary

Officials from the **Department of Elementary and Secondary Education** 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.

Bill as Whole

Officials from the **Office of the State Treasurer** 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.

Oversight received no 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
Costs – DESE – additional funding for 169-day calendar to schools §163.045	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
PUBLIC SCHOOLS			
<u>Revenue</u> - Additional State Aid 163.045	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON PUBLIC SCHOOLS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

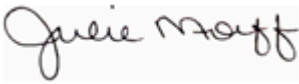
This bill clarifies language relating to additional funding for teacher salaries that districts receive if the district has a school calendar with 169 school days. The clarification provided allows for inclement weather or authorized reductions to the number of days the district must be in session to qualify for the funding (Section 163.045 RSMo).

The bill modifies the minimum teacher salary to remove the requirement that a teacher's master's degree must be in an academic teaching field directly related to the teacher's assignment.

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 the State Treasurer



Julie Morff
Director
February 12, 2025



Jessica Harris
Assistant Director
February 12, 2025