

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0659H.02C
Bill No.: HCS for HB 368
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; Children and Minors
Type: Original
Date: March 6, 2025

Bill Summary: This proposal changes provisions governing additional state aid provided to school districts for increasing teacher salaries.

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.

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 respective 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.

Officials from **East Buchanan Co. C-I School District** assume the school district has made every effort to meet the 169-calendar requirement. Although their calendar was already created and approved prior to this opportunity being enacted, they already had an approved 170-day calendar. They have used their full allotment (6 days) of AMI and have added as many days as possible to their calendar without interrupting their summer school and going past Memorial Day. Despite this, they are currently on track to go 168 days because of the 11 days of weather cancellations they have endured this year.

Passage of this bill would allow their district to receive approximately \$35,000 in additional funding for teachers in the upcoming school year.

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 exceptional or emergency circumstances 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.

Oversight received a limited number of responses from public schools 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 received from state agencies and political subdivisions; however, other school districts, colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Costs – DESE – additional funding for 169-day calendar to schools §163.045 p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
PUBLIC SCHOOLS			
<u>Revenue - Additional State Aid §163.045 p.3</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON PUBLIC SCHOOLS	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

FISCAL IMPACT – Small Business

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

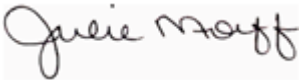
FISCAL DESCRIPTION

Currently, there is additional State funding for school districts that provide for 169 schools days. This bill clarifies that a school district will still qualify for the additional funding, provided that the district calendar includes 169 days even if they are in session fewer due to exceptional or emergency circumstances or an authorized reduction as provided for in State law.

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
East Buchanan Co. C-I School District

A handwritten signature in cursive script, appearing to read "Julie Morff", written in black ink on a light-colored background.

Julie Morff
Director
March 6, 2025

A handwritten signature in cursive script, appearing to read "Jessica Harris", written in black ink on a light-colored background.

Jessica Harris
Assistant Director
March 6, 2025