

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1271H.011
Bill No.: HB 341
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; Teachers
Type: Original
Date: February 10, 2025

Bill Summary: This proposal changes provisions governing school superintendent salaries.

FISCAL SUMMARY

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

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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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.

Officials from the **Republic R-III School District** assume this proposal could impact districts by making districts hire more teachers and less paraprofessionals, aides, and secretaries. While they do not have an exact impact for Republic Schools, spending money only on teachers would likely mean hiring teachers to do non-teaching things. For their District, they have approximately 350 teachers and 300 non-teaching personnel. The wording of the proposal made them think that 88% of the payroll had to be teaching staff.

Oversight notes the minimum (baseline) salary for Missouri educators per HB 2 (2.040 - 2025) is \$40,000. This bill defines "administrative staff" and "total compensation" and requires that for the 2026-27 school year, at least 88% of the total compensation expended on teachers and administrative staff by a district, be expended on teachers. For the 2027-28 school year and thereafter, the percentage of teacher compensation comprising the total compensation must increase by 1% until it is at least 95%.

Oversight is uncertain what the beginning teacher total compensation would be for each school district. Oversight assumes this is a redistribution of the total compensation between teachers and administrative staff within each school district. Therefore, Oversight will not reflect an impact in the fiscal note.

Oversight received zero 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 received from state agencies and political subdivisions; however, other school districts 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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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.

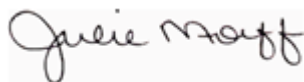
FISCAL DESCRIPTION

The proposed legislation appears to have no direct 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
 Republic R-III School District



Julie Morff
 Director
 February 10, 2025



Jessica Harris
 Assistant Director
 February 10, 2025