

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4312H.03C  
 Bill No.: HCS for HB Nos. 2126 & 2197  
 Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Salaries; Contracts and Contractors  
 Type: Original  
 Date: April 24, 2026

Bill Summary: This proposal modifies provisions governing school administrator evaluations and contracts.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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 2027	FY 2028	FY 2029
<b>Local Government*</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\***Oversight** notes a potential increase in hearings for school boards regarding nonrenewal contracts for building-level administrators.

**FISCAL ANALYSIS**

**ASSUMPTION**

**§§168.410 & 168.411 – School Building Administrators**

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 for their agency.

**Oversight** notes there is a potential for increased hearings before the school boards. Oversight has no way to determine the number of potential hearings. Oversight notes §168.118 mandates school boards cover all cost of hearings, except the cost of counsel for teachers, when a teacher’s contract is terminated or demoted. Therefore, Oversight will reflect zero (no new hearings) to an unknown cost to school districts in the fiscal note.

In response to similar legislation, HB 1365 (2025), officials from **Hume R-VIII School District** noted this is similar to teacher’s contracts. They assume no additional expense unless they have to purchase an evaluation program.

**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. 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. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost – School Districts (§168.411)</u> Additional hearings p.3	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill defines "building-level administrator" as a school official who supervises or evaluates other licensed staff. The bill provides schools with direction on contracts for buildinglevel administrators, including contract renewal and nonrenewal notice by March 1st in the year the contract would expire. An administrator whose contract is renewed must accept or reject the contract within 15 business days after receiving the contract.

Administrator contracts cannot be renewed or nonrenewed without having at least one evaluation within the contract year. Building-level administrators who have contracts that are not renewed have the right to request and receive the reasons for nonrenewal within 10 days and have a right to a closed meeting with the school board within 10 days.

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  
 Hume R-VIII School District



Julie Morff  
 Director  
 April 24, 2026



Jessica Harris  
 Assistant Director  
 April 24, 2026