

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4545H.01P
Bill No.: Perfected HB 2274
Subject: Department of Elementary and Secondary Education; Elementary and Secondary Education; Teachers; Compacts
Type: Original
Date: February 25, 2026

Bill Summary: This proposal adopts the "Interstate Teacher Mobility Compact".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(\$292,572)	(\$59,978)	(\$61,978)
Total Estimated Net Effect on General Revenue	(\$292,572)	(\$59,978)	(\$61,978)

*Oversight notes DESE/OA-ITSD may need to make changes/modifications to the existing Educator Certification application/code.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration – Budget and Planning** did not respond to **Oversight’s** request for fiscal impact for this proposal.

§168.046 – Interstate Teacher Mobility Compact

Officials from **Department of Elementary and Secondary Education (DESE)** assume the primary cost associated with this legislation is the potential large impact to the Educator Certification application/calculations. It's unsure if these modifications would be able to be handled appropriately by the current/existing application in place today. Assumed these changes/modifications are able to be programmed into the existing Educator Certification application/code.

DESE is a consolidated agency under OA-ITSD. It is assumed that all new IT projects/systems will be bid out because all ITSD resources are at full capacity. This bill has a potential large impact to the Educator Certification application/calculations. It's unsure if these modifications would be able to be handled appropriately by the current/existing application in place today. Assumed these changes/modifications are able to be programmed into the existing Educator Certification application/code. Total cost: FY27 - \$292,572, FY28 - \$59,978, FY29 - \$61,478.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated impact by DESE in the fiscal note.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Higher Education and Workforce Development, Department of Public Safety – Highway Patrol, Department of Public Safety – Veterans Commission, Office of the Governor, Missouri National Guard, Office of Administration, Missouri House of Representatives, Missouri Senate, Joint Committee on Public Employee Retirement, Missouri Office of Prosecution Services, Office of the State Courts Administrator, and University of Missouri** each 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 these agencies.

Officials from the **High Point R-III School District** assume the proposal will have a fiscal impact on their organization but did not provide any additional information.

Oversight assumes school districts will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact in the fiscal note.

Officials from the **Phelps County Sheriff's Department, Branson Police Department, Kansas City Police Department, St. Louis County Police Department** each 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 these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts and police departments 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.

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 (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with its core budget. Therefore, the SOS reserves 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 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DESE/OA-ITSD (\$168.046)</u> Educator certification applications p.3	<u>(\$292,572)</u>	<u>(\$59,978)</u>	<u>(\$61,978)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$292,572)</u>	<u>(\$59,978)</u>	<u>(\$61,978)</u>

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

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill establishes the "Missouri Interstate Teacher Mobility Compact" to create a collective regulatory framework that has a goal to support teachers and provide a new path for licensure. The bill aims to simplify and accelerates the process for qualified teachers to get licensed and employed when moving across state lines.

The bill provides that a member state must grant an equivalent unencumbered license to an applicant who holds an unencumbered eligible teaching license from another member state, pending a determination of equivalency.

The bill specifies a pathway for active military members and eligible military spouses to receive an equivalent license, even if their current license is not unencumbered.

The compact is intended to accomplish the following:

- (1) Create a streamlined pathway to licensure mobility;
- (2) Support the relocation of eligible military spouses;
- (3) Facilitate the exchange of licensure, investigative, and disciplinary information between states;

(4) Remove barriers to hiring qualified out-of-state teachers and;

(5) Support teacher retention in the profession.

The bill indicates that licensure under the compact is for the initial granting of a license in a receiving state and requires participating states to maintain an updated list of eligible licenses and career and technical education licenses that the state is willing to consider for equivalency.

The compact does not prevent states from awarding certificates based on additional criteria, participating in additional agreements, exchanging of names of teachers whose licensure is subject to adverse action, or participating with nonmember states. States may also investigate and discipline teachers if the need arises.

The bill also creates the "Interstate Teacher Mobility Compact Commission", a joint public agency composed of one delegate from all member states, to administer the compact, enforce its rules, and manage the exchange of information. The Commission has the power to establish a code of ethics and create bylaws. Additional authorizations for the Commission are specified in the bill and the Commission must meet at least once annually. The executive committee of the Commission is composed of eight members and the Committee's duties include preparing the budget and monitoring and reporting on the compliance of the member states among other duties as specified in the bill.

The bill requires that meetings of the Commission and the Committee be open to the public except for closed, nonpublic meetings as specified. The bill provides details on the financing of the Commission and provides a qualified immunity, defense, and indemnification provision for specified members of the Commission.

The bill provides the Commission rulemaking authority, however, if a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, the rule will have no further effect in any member state.

The Commission may terminate membership if there is a default on the performance of a state to fulfill its obligations or responsibilities after the Commission has provided written notice and provided training and specific technical assistance. The compact will be in effect after 10 states have enacted it into law even if after a review, termination, or withdrawal causes a state to no longer be a member and the total membership is less than 10.

The bill provides for severability if the compact is determined to be contrary to a state or the U.S. Constitution.

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 Higher Education and Workforce Development,
Department of Public Safety
Highway Patrol
Veterans Commission
Office of the Governor
Missouri National Guard, Office of Administration
Missouri House of Representatives
Missouri Senate
Joint Committee on Public Employee Retirement
Missouri Office of Prosecution Services
Office of the State Courts Administrator
University of Missouri
Department of Elementary and Secondary Education
Attorney General's Office
Phelps County Sheriff's Department
Branson Police Department
Kansas City Police Department
St. Louis County Police Department
High Point R-III School District
Joint Committee on Administrative Rules
Office of the Secretary of State



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February 25, 2026



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