

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5998H.04C
 Bill No.: HCS No. 2 for HB 2776
 Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Teachers
 Type: Original
 Date: April 1, 2026

Bill Summary: This proposal establishes provisions relating to the granting of certain teaching certificates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(Less than \$663,682)	(Less than \$311,439)	(Less than \$315,790)
Total Estimated Net Effect on General Revenue	(Less than \$663,682)	(Less than \$311,439)	(Less than \$315,790)

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
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- 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

§168.038 - Certificates of License to Teach in Public Schools

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this bill gives the State Board of Education the authority to issue tiered authorization certificates for applicants that complete a state-approved associate of applied science-level teacher preparation program and have received an associate's degree in a teaching field. Applicants must also achieve a qualifying score on the Missouri general education assessment and complete a background check. DESE would incur cost to implement this legislation as well as cost for continuation.

\$5,000 for initial accreditation of provider with \$1,000 annual oversight and support.

Certification FTE (Supervisor) at a cost of \$65,208 with additional equipment & expenses to process and issue a new classification of certificates that does not currently exist.

This bill creates more certificated teachers who will have due process rights on any disciplinary matters. Based on this proposed language, the Office of Governmental Affairs estimates costs of less than \$100,000. These costs which will be dependent on the number of hearing appeals the State Board receives to include but are not limited to:

- Hearing officer time for hearing and drafting recommendations for the State Board;
- Administrative assistant time to schedule hearings, provide notice to parties and any settlement negotiations;
- Court reporter costs;

For cost explanation purposes, the average cost for a teacher discipline hearing is \$566.55/hearing:

- Average of 3 hours of hearing officer time x average of \$58.08/hour
- Average of 7 hours administrative assistant time x \$31.08/hour
- Average of \$174.75 in court reporter costs/hearing.

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 and Educator Qualifications (HQT) application. It's unsure if these modification would be able to be handled appropriately by the current/existing application in place today.

Assuming these changes/modifications can be made:

Educator Certification application/code FY27=\$240,408, FY28=\$49,284, FY29=\$50,516.
Qualifications (HQT) application/code FY27=\$217,728, FY28=\$44,634, FY29=\$45,750

Total OA-ITSD Cost: FY27=\$458,136, FY28=\$93,918, FY29=\$96,266

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

Officials from the **Department of Higher Education and Workforce Development, Public Schools and Education Employee Retirement Systems** and **Department of Public Safety – Highway Patrol** 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.

In response to a previous version, officials from **Wellington-Napoleon R-IX School District** assumed that allowing local control and more options to hire teaching staff on shortened timelines would give more flexibility in getting streamlined training candidates into public schools.

Officials from the **University of Central Missouri** assume a significant fiscal impact. They estimate operating revenue losses of \$350,000 to \$5.2 million.

Officials from **Northwest Missouri State University** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **University of Missouri System** assumed the proposal will have an indeterminant fiscal impact. The proposal could cause a reduction in revenue as students enrolling in existing undergraduate teacher education programs seek new certification pathways.

Oversight assumes because the potential for decreases in enrollment is speculative. Therefore, Oversight will not reflect a loss to colleges or universities.

Oversight notes §168.038.9 states the beginning teacher assistance program and the professional development requirements for tier I and tier II associate teacher certificate holders that are aligned with higher education teacher preparation programs may be applied as credit toward a Bachelor of Arts or Bachelor of Science in education at a participating institution of higher education. Oversight notes this proposal does not require institutions of higher education to participate in accepting credits through the alternative methods outlined in the subsection. Therefore, Oversight will assume there would be no impact regarding their organizations.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts, colleges, and community colleges 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 (§168.038) p.3</u>			
Personal Service	(\$54,340)	(\$66,512)	(\$67,842)
Fringe Benefits	(\$35,469)	(\$43,087)	(\$43,622)
Expense & Equipment	(\$10,737)	(\$6,922)	(\$7,060)
Total Costs – DESE	(\$100,546)	(\$116,521)	(\$118,524)
FTE Change – DESE	1 FTE	1 FTE	1 FTE
<u>Cost – DESE (§168.038) Initial Accreditation p.3</u>	(\$5,000)	(\$1,000)	(\$1,000)
<u>Cost – DESE/ITSD (§168.038) Modification to Educator Certification application & HQT p.3</u>	(\$458,136)	(\$93,918)	(\$96,266)
<u>Cost – DESE (§168.038) Discipline hearings p.3</u>	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Less than \$663,682)	(Less than \$311,439)	(Less than \$315,790)
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE

<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 gives the State Board of Education the authority to issue a associate teacher certificate to any individual seeking to teach in elementary education grades one through six. The State Board of Education will grant a tier I associate teacher certificate to an individual who has

completed a state-approved teacher preparation program consisting of at least 60 semester hours. Applicants must also complete a background check.

The teacher preparation program must include literacy and reading instruction coursework, be offered by an institution that is accredited in the same manner existing teacher preparation providers are accredited, and include a capstone project to assess the individual's proficiency in fundamentals of instruction.

The bill requires a holder of a tier I associate teacher certificate to work in public schools for two years as a teacher of record and participate in an annual 30 hour school professional development. The tier I certificate will expire after four years.

The bill provides additional criteria for the granting of a tier II associate teacher certificate including participation in a mentor program, professional development, an acceptable score on a state-approved teacher evaluation system, and proficiency in reading by passing the state board of education-approved elementary reading exam, as specified.

The bill provides that tier I associate teacher certificate holders that have completed two years can receive a tier II associate teacher certificate valid for five years and a Career Professional Certificate (CPC) can be issued to a tier II associate teacher certificate holder after such teacher has completed three years of service as the teacher of record and 60 contact hours of professional development.

Tier I and II certificate holders are not eligible for additional subject areas besides elementary grades 1-6 and may be on a separate salary schedule with a minimum of \$35,000 base salary.

The bill allows up to 18 hours of professional development earned by tier I and II associate certificate holders to be applied as credit to a Bachelor of Arts or Science in Education degree for participating institutions of higher education.

The Department of Elementary and Secondary Education will waive the teaching evaluation and observation requirements for teacher education programs for any tier I or II associate teacher certificate holder that has been employed for at least two years as the teacher of record. Beginning in the year 2036 the Department must also provide a biennial report to the Joint Committee on Education on the effectiveness of the associate teacher certification program.

The bill provides that mentors for tier I or II associate teacher certificate holder must meet specific standards and must be provided with additional compensation including additional time for mentor duties.

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
Department of Higher Education and Workforce Development
Department of Public Safety – Highway Patrol
Office of the Secretary of State
University of Missouri
Wellington-Napoleon R-IX School District
Northwest Missouri State University
University of Central Missouri
Joint Committee on Administrative Rules
Public Schools and Education Employee Retirement Systems



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April 1, 2026



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