

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3428-01
Bill No.: HB 1336
Subject: Education, Elementary and Secondary; Teachers
Type: Requires school districts to adopt indexed salary schedules
Date: February 7, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	(\$901,323)	(\$981,540)	(\$1,068,897)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Lottery Commission, Joint Committee on Public Employee Retirement, Office of State Courts Administrator, Public School Retirement System and Non-Teacher School Employee Retirement System** assume the proposal would result in no fiscal impact to the agencies.

Officials from the **Kansas City Missouri School District (KCMSD)** stated that KCMSD currently provides salary schedule credit to teachers in good standing with prior teaching experience who transfer from another district. There would be no additional cost to KSMSD.

Officials from the **Springfield Public Schools** indicated there would be no fiscal impact to their district.

Officials from the **Columbia Public Schools** stated that the Columbia 93 District currently allows eight years credit on the salary schedule for other teaching experience. Costs for school year 2006-2007 would be \$60,000 and for 2007-2008 would be \$63,000.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume they could incur additional costs through a likely but *indirect* result of the bill. The bill would make salaries paid to state operated school teachers less competitive than salaries for those in public school districts. The state operated schools would likely need to increase salaries to retain qualified staff. The amount needed to fund this increase is not known.

To estimate the impact across districts statewide, DESE data showing number of teachers newly transferred into a district and an estimated projected salary difference was combined with information from the Missouri State Teachers' Association pertaining to districts offering credit.

FY 02 impact statewide is estimated to be \$765,845
FY 03 impact statewide is estimated to be \$834,005
FY 04 impact statewide is estimated to be \$908,231

The **Oversight Division** calculated fringe benefits at 17.69% to include retirement, FICA, unemployment and worker's compensation on the salary increases.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
SCHOOL DISTRICTS			
<u>Cost - School Districts</u>			
Personal Service	(\$765,845)	(\$834,005)	(\$908,231)
Fringe Benefits	(\$135,478)	(\$147,535)	(\$160,666)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>(\$901,323)</u>	<u>(\$981,540)</u>	<u>(\$1,068,897)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposed legislation offers salary schedule credit to public school teachers who change employment to another Missouri school district under guidelines specified in the bill. Beginning with the 2002-2003 school year, teachers who have been employed for a year or more will receive credit for each year of service up to five years if they take a position in another district. Each school year thereafter, the maximum years credited will increase in increments of one year, culminating in up to 10 years of credit in the 2007-2008 school year. School districts may offer credit for service in excess of this schedule.

The proposal also specifies that should the court ultimately decide that the revenue limitations of Article X, Section 16 of the Missouri Constitution apply to this section, necessary funds would be appropriated from the State Lottery Fund or the General Revenue Fund.

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
Office of State Courts Administrator
Joint Committee of Public Employee Retirement
Missouri Lottery Commission
Public School Retirement System
Non-Teacher School Employee Retirement System of Missouri
Kansas City Missouri Public School District
Springfield Public Schools
Columbia Public Schools

Not responding

St Louis Public Schools
Jefferson City Public Schools



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