

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1254-01
Bill No.: HB 418
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Type: Original
Date: March 26, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$680,000)	(\$840,000)	(\$1,090,000)
Total Estimated Net Effect on General Revenue Fund	(\$680,000)	(\$840,000)	(\$1,090,000)

***Subject to appropriation; language indicates "shall"**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
National Teacher Certification Incentive Reward Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

***Offsetting Transfers In and Out net to zero**

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
School Districts*	\$0	\$0	\$0

*Offsetting Income and Distribution net to zero

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** stated this proposal would have no fiscal impact on their agency.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as 12 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$738 for FY 2004. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

ASSUMPTION (continued)

According to officials from the **Department of Elementary and Secondary Education (DESE)**, at the present time there are 136 National Board Certified teachers in Missouri. National Board certificates are valid for ten years. DESE assumes that the teachers holding National Board Certification as of 2003 would be the first teachers eligible to receive the bonus and costs for FY 2004, 2005, and 2006 are calculated as follows:

FY 2004

136 teachers x \$5,000 (first year certification bonus) =	\$ 680,000
136 teachers x \$2,500 (subsequent year bonus) =	<u>\$ 340,000</u>
Total	\$1,020,000

FY 2005:

100 teachers x \$5,000 (first year certification bonus) =	\$ 500,000
136 teachers x \$2,500 (subsequent year bonus) =	<u>\$ 340,000</u>
Total	\$ 840,000

FY 2006:

100 teachers x \$5,000 (first year certification bonus) =	\$ 500,000
236 teachers x \$2,500 (subsequent year bonus) =	<u>\$ 590,000</u>
Total	\$1,090,000

Oversight assumes in the first year of the program, teachers currently holding National Board Certification would only qualify for the initial bonus of \$5,000 and would not receive subsequent bonuses of \$2,500 until FY 2005, making the cost for FY 2004 \$680,000.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Cost</u> - Transfers to National Teacher Certification Incentive Reward Program Fund*	<u>(\$680,000)</u>	<u>(\$840,000)</u>	<u>(\$1,090,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$680,000)</u>	<u>(\$840,000)</u>	<u>(\$1,090,000)</u>
 NATIONAL TEACHER CERTIFICATION INCENTIVE REWARD PROGRAM FUND			
<u>Income</u> - Transfers from General Revenue Fund	\$680,000	\$840,000	\$1,090,000
<u>Cost</u> - Distributions to School Districts	<u>(\$680,000)</u>	<u>(\$840,000)</u>	<u>(\$1,090,000)</u>
ESTIMATED NET EFFECT ON NATIONAL TEACHER CERTIFICATION INCENTIVE REWARD PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
*Subject to Appropriation; language indicates "shall"			
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2004 (10 Mo.)	FY 2005	FY 2006
SCHOOL DISTRICTS			
<u>Income</u> - State Aid	\$680,000	\$840,000	\$1,090,000
<u>Cost</u> - Teacher Incentive Bonuses	<u>(\$680,000)</u>	<u>(\$840,000)</u>	<u>(\$1,090,000)</u>

**ESTIMATED NET EFFECT ON
SCHOOL DISTRICTS**

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal creates an incentive program to encourage teachers to achieve national board certification. Teachers who have been certified by the National Board for Professional Teaching Standards may apply for a bonus by sending a copy of their national certification to the Department of Elementary and Secondary Education. The initial bonus for the first year after certification is \$5,000; subsequent bonuses will be \$2,500 for the life of the national certificate. Provisions detailing the administration of the funds are included, and the department is given authority to promulgate rules to implement the program.

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 Secretary of State
Administrative Rules Division
Office of State Treasurer



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Director
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