

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3402-07
Bill No.: SCS for SB 968
Subject: Education, Elementary and Secondary; Teachers
Type: Original
Date: February 27, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** indicated this proposal would have no fiscal impact on their agency; however, the proposal could result in significant costs for local school districts. DESE was unable to provide an estimate of the potential costs to school districts.

Officials from the **Columbia Public Schools (CPS)** assumes scenarios similar to the FY 04 funding cycle and as the district continues to reduce staff, CPS may have to reduce staff after contracts are issued. CPS assumes the fiscal impact could be in the range of \$100,000.

In response to the introduced version of this proposal, officials from the **Parkway School District** indicated this proposal could be very costly to their school district. That cost would vary depending on the number of positions, amount of withholdings, teacher pay, etc.

Officials from the **Mexico School District** and the **Saint Louis Public Schools** indicated in a previous response that the costs associated with this proposal would be substantial.

ASSUMPTION (continued)

Responding to an earlier proposal, officials from the **Kansas City Missouri School District** indicated payment of teachers salaries for those that could be furloughed could be significant.

Oversight assumes that if a minimum of 34 teachers were affected by this proposal, the cost would exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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LOCAL SCHOOL DISTRICTS

Cost - Partial payment of contracts of laid off teachers

(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)
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ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS

<u>(Unknown - Expected to Exceed \$100,000)</u>	<u>(Unknown - Expected to Exceed \$100,000)</u>	<u>(Unknown - Expected to Exceed \$100,000)</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal states that if a school district has an unrestricted combined ending fund balance of more than 10% in its teachers' and incidental funds, and in the subsequent fiscal year such district places a contracted teacher on leave of absence after 40 days subsequent to the Governor signing the Elementary and Secondary Education appropriation bill, the district shall pay the affected teacher the greater of their salary for any days worked under the contract, or a sum equal to three thousand dollars.

DESCRIPTION (continued)

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
Kansas City Missouri School District
Columbia Public Schools
Parkway School District
Saint Louis Public Schools
Mexico Public Schools



Mickey Wilson, CPA
Director
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