

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3402-08  
Bill No.: Perfected SS for SCS for SB 968  
Subject: Education, Elementary and Secondary; Teachers; Retirement-Schools  
Type: Original  
Date: March 8, 2004

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**FISCAL SUMMARY**

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

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

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

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

**FISCAL ANALYSIS**

**ASSUMPTION**

**SECTION 168.124**

Officials from the **Department of Elementary and Secondary Education (DESE)** indicated this section of the 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 section of the 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.

SECTION 168.303 & 169.712

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials with the **Public School Retirement System, Public School Retirement System of St. Louis** and **Kansas City Public School Retirement System** assume no fiscal impact to their agency.

Officials with the **Parkwy Public Schools** indicated these sections of the proposal would have no fiscal impact on their district.

Officials with the **Department of Elementary and Secondary Education** assume local school districts would likely see increased administrative costs. It is unknown to what extent administrative costs would increase; the increase being contingent upon the level of participation in job-sharing by classroom teachers statewide.

**Oversight** assumes the local school districts could absorb the administrative costs based on the responses received from the Public School Retirement System of St. Louis and Kansas City Public School Retirement System as well as the Public School Retirement System.

<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
<b>LOCAL SCHOOL DISTRICTS</b>			
<u>Cost - Partial payment of contracts of laid off teachers</u>	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS</b>	<b><u>(Unknown - Expected to Exceed \$100,000)</u></b>	<b><u>(Unknown - Expected to Exceed \$100,000)</u></b>	<b><u>(Unknown - Expected to Exceed \$100,000)</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal renders alterations to several state policies regarding teachers.

SECTION 168.104 - This section adds certified teachers who teach at the pre-kindergarten level to the definition of the word "teacher" in the teacher tenure act.

SECTION 168.124 - This section asserts that, should a Board of Education choose to utilize the mechanism for reducing teacher forces in an attempt to manage adverse financial conditions caused by reductions in state education appropriations, then the district additionally shall comply with the following provision: 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.

SECTION 168.126 - Current law requires school districts to notify in writing a probationary teacher who will not be retained by the school district of the termination of their employment and requires school districts to provide the teacher, upon the teacher's request, a concise statement concerning the reason for such termination. This section requires the district in all cases to issue

DESCRIPTION (continued)

notice to the teacher expressly declaring the reason for the termination if the reason for such is due to a decrease in pupil enrollment, school district reorganization, or the financial condition of the school district.

SECTION 168.303 - Current law requires employment of at least seventeen hours per week in order to be considered eligible for the classroom teacher "job-sharing" program. This section seeks to alter the aforementioned requirement from a minimum of seventeen hours per week to a minimum of fifteen hours per week.

SECTION 169.712 - Current law requires employment of at least seventeen hours per week in order to be considered a member of the public school retirement system and to receive creditable service on a pro rata basis in that system. This section seeks to alter the aforementioned requirement from a minimum of seventeen hours per week to a minimum of fifteen hours per week.

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  
Joint Committee on Public Employee Retirement  
Public School Retirement Systems of Missouri  
Public School Retirement System of the School District of Kansas City, Missouri  
Public School Retirement System of the City of Saint Louis



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