

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3136-10
Bill No.: Truly Agreed To and Finally Passed CCR for SS No. 2 for SCS for HCS No. 2 for HB 1543
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Children; Boards, Commissions, Committees, Councils; Teachers; Governor and Lt Governor; Higher Education Department
Type: Original
Date: June 7, 2010

Bill Summary: This proposal modifies provisions relating to elementary and secondary education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Career Ladder Fund	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Department of Higher Education** state this proposal would have no direct, foreseeable fiscal impact on their agency.

Officials from the **Office of Administration - Administrative Hearing Commission** state this proposed legislation will not significantly alter its caseload.

Officials from the **Office of Lieutenant Governor, Department of Social Services** and the **Department of Health and Senior Services** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Joint Committee on Education** state this bill will have no fiscal impact on their committee.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 \$2,500.

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.

Officials from the **Department of Public Safety - Office of the Director (DPS)**, assume that any costs associated with implementing this proposal, specifically as it relates to the required certifications by law enforcement agencies and prosecutors who apply for grant funding through DPS, can be absorbed with existing resources.

§160.775 - Cyberbullying & School Anti-Bullying Policies

Officials from the **Department of Elementary and Secondary Education (DESE)** state this

ASSUMPTION (continued)

proposal will have no fiscal impact on their agency or on local school districts.

§161.209 & 163.410 - Appropriations & Withholding of Funds by the Governor

In response to previous versions of this bill, officials from the **Office of Attorney General (AGO)** assume that costs of implementation could be absorbed with existing resources, but if multiple cases result, AGO could request additional appropriation. In addition, due to the nature of the provision, AGO assumes this proposal has the potential to be the subject of state and federal litigation. Therefore, potential costs are unknown.

Oversight assumes the potential litigation is speculative and, for fiscal note purposes only, assumes no fiscal impact.

Officials from the **Office of the Governor** state no added costs are anticipated for the Governor's Office as a result of this bill.

Officials from **DESE** state this proposal will have no fiscal impact on their agency or on local school districts.

Officials from the **Parkway School District** stated this proposed legislation would have no fiscal impact on their district.

Officials from the **St Louis Public School District** state the fiscal impact of waiving the 1% professional development required in 2010-11 is between \$950,000 to \$1,000,000.

In response to similar legislation filed this year, (HB 2053 - FN 3138-02) , the following school districts responded:

Officials from the **Sedalia School District** assume this proposal would help with funding on professional development.

Officials from the **St Joseph School District** state this proposed legislation would save their district just under \$400,000 annually from not having to spend professional development monies.

Officials from the **Blue Springs School District** estimate this proposal would allow school districts statewide to utilize millions of dollars to their high priority classroom needs.

ASSUMPTION (continued)

Officials from the **Fair Grove School District** assume not have the spending requirements designated would positively impact schools financially.

Officials from the **Francis Howell School District (FHSD)** assume the proposed legislation would have a positive financial impact because FHSD would be relieved of certain expenditure requirements. FHSD is currently required to spend approximately \$300,000 per year on professional development. This proposed legislation would remove that requirement, allowing their district to used those funds for other purposes, if necessary.

Oversight assumes that although certain monies could be redirected as a result of this proposed legislation, there would be no actual increase or decrease in school funding. For fiscal note purposes only, **Oversight** will show no fiscal impact on local political subdivisions

§168.500 & 168.515 - Career Ladder

DESE assumes the cost or savings is dependent on appropriation; the change in the state match may reduce the state cost from the FY10 appropriation but that cost is unknown at this time.

§178.697 - Health and Development Screenings

Officials from **DESE** state this section does not appear to pose a fiscal impact to their agency. The impact will be incurred by the school districts and families. It is difficult to determine true cost to the districts and families. The FY09 appropriation was \$34,304,651.00. School districts also invested \$16,254,195.00 of local funds to support Parents as Teachers services to families.

Oversight assumes supplemental funding by school districts is permissive; therefore, no fiscal impact will be shown to local political subdivisions.

FISCAL IMPACT - State Government FY 2011 FY 2012 FY 2013

GENERAL REVENUE

Savings - DESE - Reduction in funding for Career Ladder Program (§168.500 & §168.515) Unknown Unknown Unknown

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND **Unknown** **Unknown** **Unknown**

CAREER LADDER FUND

Loss - Reduction in Funding (§168.500 & §168.515) (Unknown) (Unknown) (Unknown)

ESTIMATED NET EFFECT ON CAREER LADDER FUND **(Unknown)** **(Unknown)** **(Unknown)**

FISCAL IMPACT - Local Government FY 2011 FY 2012 FY 2013

LOCAL POLITICAL SUBDIVISIONS

Loss - Local School Districts_ Reduction in State Aid for Career Ladder (§168.500 & §168.515) (Unknown) (Unknown) (Unknown)

ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS **(Unknown)** **(Unknown)** **(Unknown)**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§168.500 & §168.515 - Career Ladder

This bill removes the requirement but allows the General Assembly to make an annual appropriation to the Missouri Career Development and Teacher Excellence Plan, commonly known as the Career Ladder Program.

Beginning in fiscal year 2012, Career Ladder payments will only be made available to local school districts if an appropriation is made . Any state appropriation must be made prospectively in relation to the year in which work under the program is performed. Nothing in this proposal shall be construed to prohibit a local school district from funding the program for its teachers for work performed in years for which no state appropriation is made available.

In addition, this bill removes the variable match portion of Career Ladder. Instead, Career Ladder will be funded by sixty percent local funding and forty percent state funding. The three groups of school districts with variable funding rates are eliminated.

This proposal contains an effective date of July 1, 2010, or upon passage or approval, whichever occurs later, for §163.410.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements. _____

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

Office of State Courts Administrator

Office of the Governor

Office of Secretary of State

Administrative Rules Division

Office of Administration

Administrative Hearing Commission

Office of Attorney General

Department of Social Services

Department of Health and Senior Services

Department of Higher Education

Joint Committee on Education

School Districts

St Louis Public School District

Parkway

Mexico

Special School District of St Louis County

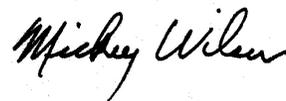
Sedalia

St Joseph

Blue Springs

Fair Grove

Francis Howell



Mickey Wilson, CPA

Director

June 7, 2010