

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1246-03
Bill No.: HCS for HB 631
Subject: Teachers; Education, Elementary and Secondary; Boards, Commissions, Committees, Councils
Type: Original
Date: March 28, 2013

Bill Summary: This proposal modifies provisions relating to the employment and evaluation of teachers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	(Could exceed \$100,000)	\$0

FISCAL ANALYSIS

ASSUMPTION

A preliminary response from the **Department of Elementary and Secondary Education (DESE)** indicated there should not be significant costs to DESE as a result of this proposed legislation. DESE assumes there may be some costs to school districts to implement the provisions of the proposal.

In response to the introduced version of this proposal, officials from the **Kansas City Public School District (KCPSD)** do not see substantial unfunded mandates for KC Public Schools within the text of the proposed legislation. KCPSD currently evaluates staff and provides teachers and principals with professional training and improvement plans when they believe it is warranted. Some added costs may be required to educate staff on the details of the law if passed.

KCPSD assumes districts that do not currently provide training and improvement plans may incur substantial costs implementing this law if passed, in that they would have to develop systems and programs to facilitate the mandate.

Oversight assumes there could be implementation costs to school districts. Oversight assumes provisions of the proposal will not be in place until the 2014-2015 school year and will show implementation costs to the school districts in FY 2015.

Officials from the **University of Missouri System** (Charter School Sponsors) state this proposal will have no fiscal impact on the University System.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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LOCAL POLITICAL SUBDIVISIONS

<u>Costs - Local School Districts - Implementation of teacher employment and evaluation procedures</u>	<u>\$0</u>	(Could exceed <u>\$100,000</u>)	<u>\$0</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	(Could exceed <u>\$100,000</u>)	\$0
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal changes the laws regarding educator quality. In its main provisions, the substitute:

- (1) Changes the basis of tenure from five consecutive years of employment to at least four consecutive years with four consecutive ratings of effective or highly effective. A teacher will lose permanent status after a rating of ineffective or two consecutive ratings of minimally effective and will regain it with three consecutive ratings of effective, highly effective, or any combination of the two;
- (2) Defines "student growth" and "value-added model" as they relate to teacher evaluations;
- (3) Revises the "last-in, first-out" rule for placing teachers on leave of absence, so that decisions will be made primarily on the results of performance evaluations instead of length of service;
- (4) Changes the requirements for the evaluation of teachers and administrators by requiring each district and charter school to develop and implement an evaluation system consistent with the requirements of the substitute, that uses multiple measures based on growth in student achievement, either of its own development or the model developed by the Department of

FISCAL DESCRIPTION (continued)

Elementary and Secondary Education (DESE);

(5) Requires DESE to promulgate rules to determine the teacher of record, standards for rating levels, and value-added model processes and requirements; and to be responsible for the development and implementation of a student growth model and a value-added model, providing technical assistance, developing a model evaluation system, and establishing a process to approve assessments and monitor compliance;

(6) Revises the St. Louis Public School District's tenure laws to reflect the changes made to the main tenure law; and

(7) Repeals certain provisions that require school districts to develop their own teaching standards; the process for the remediation of the work of a probationary teacher who is deemed to be doing unsatisfactory work; and the evaluation standards for school administrators.

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
School Districts

Kansas City Public School District

Charter School Sponsors

University of Missouri System



Ross Strope
Acting Director

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