

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5458-01  
Bill No.: HB 1843  
Subject: Teachers, Salaries  
Type: Original  
Date: March 3, 2014

Bill Summary: This proposal raises teacher minimum salaries for the 2015-2016 school year and thereafter, subject to appropriation.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Teacher Minimum Salary Fund	\$0	\$0*	\$0*
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0*</b>	<b>\$0*</b>

**\*Offsetting Transfers In and Transfers Out are Unknown - could exceed \$100,000 in FY 2016 and FY 2017.**

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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0*</b>	<b>\$0*</b>

**\*Offsetting Transfers In and Costs are Unknown - Expected to exceed \$100,000 in FY 2016 and FY 2017.**

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of State Treasurer** assume no fiscal impact to their agency resulting from this proposal.

Officials from the **Office of Administration - Division of Budget and Planning** defer to the Department of Elementary and Secondary Education for the fiscal impact of raising teacher minimum salaries.

Officials from the **Department of Elementary and Secondary Education** estimate that additional costs would be incurred in excess for \$100,000 (exact cost unknown), for the appropriation to the "Teacher Minimum Salary Fund".

Officials from the **Fulton School District** assume this proposal will have no fiscal impact on their district, unless the appropriation further reduces their foundation formula monies.

Officials from the **Special School District of St. Louis County** state this proposed legislation will have no fiscal impact on their district as their minimum salary is well above the amount stated in the bill.

Officials from the **Kansas City Public School District** assume no fiscal impact since their starting pay for teachers is \$36,000 yearly.

Officials from the following school districts: Blue Springs, Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Francis Howell, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - Department of Elementary and Secondary Education - Teacher Minimum Salary Fund	<u>\$0</u>	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>(Unknown - Could exceed \$100,000)</u></b>	<b><u>(Unknown - Could exceed \$100,000)</u></b>
<b>TEACHER MINIMUM SALARY FUND</b>			
<u>Transfer In</u> - General Revenue	\$0	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Transfer Out</u> - School Districts - Increase in teacher salaries	<u>\$0</u>	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON TEACHER MINIMUM SALARY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>POLITICAL SUBDIVISIONS</b>			
<u>Transfer In</u> - School Districts - Increase in teacher salaries	\$0	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Costs</u> - School Districts - Teacher salaries	\$0	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill raises the minimum teacher salary beginning in school year 2015-16 from \$25,000 to \$30,000, subject to appropriation. The minimum salary for the holder of a master's degree is raised from \$32,000 to \$35,000, subject to appropriation, beginning in the 2015-16 school year but requires that the degree be in a field directly related to the teacher's assignment.

The Minimum Teacher Salary Fund is created for moneys appropriated for distribution to each school district on the basis of the difference between the required minimum salary and the salary reported by the district on core data for each teacher who does not make the minimum salary and establishes a proration method in case of a less than adequate appropriation.

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 Administration  
    Division of Budget and Planning  
Office of State Treasurer  
School Districts  
    Fulton  
    Special School District of St. Louis County  
    Kansas City



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March 3, 2014

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