

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0189-01
Bill No.: HB 300
Subject: Education, Elementary and Secondary: Teachers
Type: Original
Date: January 10, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$83,300)	(\$156,000 to \$281,530)	(\$246,500 to \$372,030)
Total Estimated Net Effect on <u>All</u> State Funds	(\$83,300)	(\$156,000 to \$281,530)	(\$246,500 to \$372,030)

- SUBJECT TO APPROPRIATION -

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
School Districts	(\$0 to \$125,530)	(\$0 to \$125,530)	(\$0 to \$125,530)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

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 from the **Public School Retirement System and Non-Teacher School Employee Retirement System** assume the proposal would not affect the systems.

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as approximately 6 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual costs could be more or less the SOS's estimated cost of \$369 for FY 2002. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

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 Elementary and Secondary Education (DESE)** estimate the fiscal impact as follows:

Application Cost Assistance

It is assumed that 100 teachers per year will apply for National Board Certification and that those candidates will incur the initial 25% of the total application fee of \$2,300. The Federal government subsidizes 41 candidates at \$1,150 of the fee. Therefore, the annual estimate for providing application cost assistance is 100 teachers X \$575 (initial candidate fee) and 59 teachers x \$1,150 (for those not federally subsidized), or \$125,350, beginning with FY 2003.

Bonuses

At the present time, there are 44 National Board Certified teachers in Missouri. National Board certificates are valid for 10 years. Assuming that (1) the teachers receiving the National Board Certification in 2000 would be the first teachers eligible to receive the bonus; (2) about 10% of teachers would be teaching in a district/school that qualifies for the 10% bonus level; and (3) an ASSUMPTION (continued)

average salary of \$34,000, the costs for FY 2002, 2003 and 2004 are calculated as follows:

10% bonus level X \$34,000 average salary = \$3,400;
 5% bonus level X \$34,000 average salary = \$1,700;

FY 2002: 5 teachers (prov, unacc, or fin stressed)	X \$3,400	= \$	17,000
39 teachers (all other districts)	X \$1,700	= \$	<u>66,300</u>
		\$	83,300

FY 2003: 7 teachers (prov, unacc, or fin stressed)	X \$3,400	= \$	23,800
66 teachers (all other districts)	X \$1,700	= \$	<u>112,200</u>
		\$	136,000

FY 2004: 13 teachers (prov, unacc, or fin stressed)	X \$3,400	= \$	44,200
119 teachers (all other districts)	X \$1,700	= \$	<u>202,300</u>
		\$	246,500

Totals

FY 2002 \$83,300 (bonuses)
 FY 2003 \$125,350 + \$136,000 = \$271,350 (application reimbursements and bonuses)
 FY 2004 \$125,350 + \$246,500 = \$371,850 (application reimbursements and bonuses)

The proposal states the Department would pay the National Board for Professional Teaching Standards certification fee for any teacher already certified to teach provided that the teacher seeking payment would first seek reimbursement from the school district. The **Oversight Division** assumes a portion of the \$125,350 fee would be paid by DESE and a portion would be paid by school districts. Therefore, Oversight has ranged the cost from zero to \$125,350 for DESE and school districts, beginning in FY 2003.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
National Board Certification Fee	\$0	(\$0 to \$125,530)	(\$0 to \$125,530)
Teacher Bonuses	(\$83,300)	(\$156,000)	(\$246,500)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$83,300)</u>	<u>(156,000 to \$281,530)</u>	<u>(\$246,500 to \$372,030)</u>
- SUBJECT TO APPROPRIATION -			
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
SCHOOL DISTRICTS			

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

Cost-School Districts

National Board Certification Fee

\$0 (\$0 to\$125,530) (\$0 to\$125,530)

FISCAL IMPACT - Small Business

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

DESCRIPTION

The Department of Elementary and Secondary Education would adopt a National Teacher Certification Encouragement Program. The program would encourage teachers to voluntarily apply for and achieve teacher certification by the National Board for Professional Teaching Standards.

Beginning July 1, 2002, the Department would, subject to appropriation, pay the National Board for Professional Teaching Standards certification fee for any teacher already certified to teach provided that the teacher seeking payment would first seek reimbursement from the school district. The Department would only be required to pay the portion of the fee that the school district does not pay. The Department would pay one-half of the fee when the teacher submits documentation that the teacher is a candidate for national board certification and pay the second half upon receipt of documentation that the teacher has achieved certification.

For any school year beginning after the achievement of the certification, the Department would pay a bonus to any teacher certified. The amount of the bonus would be 10% of the teacher's salary in unaccredited districts, provisionally accredited districts, financially stressed districts or underserved districts. The bonus would be 5% of the teacher's salary for nationally certified teachers in all other school districts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Public School Retirement System
Non-Teacher School Employee Retirement System
SOURCES OF INFORMATION (continued)

Joint Committee on Public Employee Retirement

GVB:LR:OD (12/00)

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Secretary of State's Office

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 10, 2001