

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1385-01
Bill No.: HB 625
Subject: Education, Elementary and Secondary: Teachers
Type: #Updated
Date: April 12, 2001
#To reflect updated response from the Department of Elementary and Elementary Education

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
#General Revenue	(\$645,000)	(\$2,411,350)	(\$2,956,250)
National Teacher Certification Incentive Reward Program	\$0	\$0	\$0
#Total Estimated Net Effect on <u>All</u> State Funds	(\$645,000)	(\$2,411,350)	(\$2,956,250)

- 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	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Treasurer's Office**, in responses to similar proposals, assumed the proposal would result in no fiscal impact to the agency.

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 12 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 \$738 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of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.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.

According to officials from the **Department of Elementary and Secondary Education (DESE)**, there are presently 44 National Board Certified teachers in Missouri. National Board certificates are valid for 10 years. Seventy four candidates have applied for National Board Certification for the 2000-01 school year. According to the 1998-99 Report of the Public Schools of Missouri, the average annual teachers' salaries for all districts equaled \$34,807. DESE officials assume annual salary increases of 2.5% for inflation.

There are seventy-three (73) speech-language pathologists and twelve (12) audiologists employed in public schools. Most speech pathologists and audiologists already have certificates of clinical competence. The American Speech-Language Hearing Association issues those certificates. Applicants pay a \$460 application fee and a \$150 annual renewal fee. Because many schools are converting to contract provided speech-language services, Department of Elementary and Secondary Education officials assume the number of pathologists and audiologists will remain constant. They also assume that school districts would not cover certification and renewal fees. (Officials also note that school districts "share" audiologists and speech-language pathologists and that it is possible that multiple districts could apply for salary supplements for the same persons. Projected costs assume that there would only be one supplement per person.)

ASSUMPTION (continued)
Projected costs to the state are:

Salary Supplements

FY 2002:

44 teachers x \$5,000 =	\$220,000
73 speech-language pathologists x \$5,000 =	\$365,000
12 audiologists x \$5,000 =	<u>\$ 60,000</u>
Total	\$645,000

FY 2003:

#265 teachers x \$5,000 =	\$1,325,000
73 speech-language pathologists x \$5,000 =	\$ 365,000
12 audiologists x \$5,000 =	<u>\$ 60,000</u>
#Total	\$1,750,000

FY 2004:

#345 teachers x \$5,000 =	\$1,725,000
73 speech-language pathologists x \$5,000 =	\$ 365,000
12 audiologists x \$5,000 =	<u>\$ 60,000</u>
#Total	\$2,150,000

Certification and Renewal Fees

FY 2003:

#265 teachers x \$2,300 =	\$609,500
73 speech-language pathologists x \$610 =	\$ 44,530
12 audiologists x \$610 =	<u>\$ 7,320</u>
#Total	\$661,350

FY 2004:

#345 teachers x \$2,300 =	\$793,500
73 speech-language pathologists x \$150 =	\$ 10,950
12 audiologists x \$150 =	<u>\$ 1,800</u>
#Total	\$806,250

ASSUMPTION (Continued)

#These assumptions are based on information from the state of Iowa, which has a similar program to that in this proposal. In 1999 the number of Iowa teachers achieving Board certification was 144 and an additional 99 achieved certification in 2000. Iowa has about 33,000 elementary and secondary school teachers and Missouri about 60,300. The number of teachers eligible for awards the second and subsequent years of the program is based on the assumption that Missouri teachers would achieve Board certification in the same proportions as Iowa teachers.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
# <u>Cost</u> - Transfers to National Teacher Certification Salary Supplement Program Fund	(\$645,000)	(\$2,411,350)	(\$2,956,250)
#ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$645,000)</u>	<u>(\$2,411,350)</u>	<u>(\$2,956,250)</u>
NATIONAL TEACHER CERTIFICATION SALARY SUPPLEMENT PROGRAM FUND			
# <u>Income</u> - Transfers from General Revenue Fund	\$645,000	\$2,411,350	\$2,956,250
# <u>Cost</u> - Distributions to School Districts	(\$645,000)	(\$2,411,350)	(\$2,956,250)
ESTIMATED NET EFFECT ON NATIONAL TEACHER CERTIFICATION SALARY SUPPLEMENT PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FISCAL IMPACT - Local Government			
	FY 2002 (10 Mo.)	FY 2003	FY 2004
SCHOOL DISTRICTS			
# <u>Income</u> - State Aid	\$645,000	\$2,411,350	\$2,956,250
# <u>Cost</u> - Teacher Bonuses	(\$645,000)	(\$2,411,350)	(\$2,956,250)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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 Salary Supplement Program to encourage teachers, speech-language pathologists and audiologists to voluntarily apply for and achieve teacher certification by the National Board for Professional Teaching Standards or certificates of clinical competence from the American Speech Language Hearing Association. Teachers, speech-language pathologists and audiologists could apply for bonuses and fee reimbursements from the program.

The General Assembly would make an annual appropriation from the General Revenue Fund to the National Teacher Certification Salary Supplement Program Fund for the sole purpose of funding bonuses and fee reimbursements.

The bonus could be paid in a lump sum at the beginning of the fiscal year to a school district to cover all bonuses owed to teachers.

The amount of the bonus would be \$5,000 for the first school year after the achievement of the certification and \$5,000 for every subsequent year for the life of the certificate.

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
Secretary of State
State Treasurer



Jeanne Jarrett, CPA
Director
April 12, 2001