

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5299-01
Bill No.: SB 1088
Subject: Teachers; Education, Elementary and Secondary; Boards, Commissions,
 Councils, Committees
Type: Original
Date: March 13, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	(Unknown - Could Exceed \$100,000)	(Unknown - Could Exceed \$100,000)	(Unknown - Could Exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume there will be no fiscal impact on the Courts.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. 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 proposal for Administrative Rules is less than \$1,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Elementary and Secondary Education (DESE)** state the proposal appears to place termination hearing duties in the hands of a hearing officer (rather than the local school board) who shall not be a resident of the school district. The cost of the hearing shall include the reasonable and customary per diem allowance for the hearing officer and the reasonable and necessary expenses of the hearing officer.

ASSUMPTION (continued)

DESE assumes 50-100 hearings per year with 2-day hearings at \$550-\$1,850 per diem, and reasonable and necessary expenses of \$250 per hearing for an annual expense of \$80,000 to \$420,000.

Oversight assumes many of the terminations would be resolved without the teacher exercising the option of the hearing before an impartial hearing officer provided by DOLIR. However, assuming a certain number of teachers would request such a hearing, the unknown costs to the school districts could exceed \$100,000 per year.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume this legislation would result in a fiscal impact to the Labor and Industrial Relations Commission. The Commission would be responsible for promulgating rules and regulations, accepting filings, establishing and maintaining a list of hearing officers, storing the documents, etc. under this legislation. DOLIR estimates the need for an attorney the first year due to the work of promulgating rules and regulations. Additional clerical staff may also be needed, however it is difficult to estimate without knowing the number of hearings.

Oversight assumes the duty of promulgating rules and regulations would not take a full year or require one additional FTE. If this process cannot be completed with existing resources, **Oversight** assumes additional resources would be requested through the budget process.

Officials from the **Poplar Bluff School District** assume this proposal could have a negative fiscal impact on schools, while the **Independence School District** estimated this proposal could cost their district up to \$40,000 a year.

A fiscal impact request was sent to the school districts of **Farmington, Ste Genevieve, St Louis, and others** who did not respond to a request for fiscal impact of the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo)	FY 2008	FY 2009
SCHOOL DISTRICTS			
<u>Cost</u> - Hearing expenses	(Unknown - Could Exceed <u>\$100,000</u>)	(Unknown - Could Exceed <u>\$100,000</u>)	(Unknown - Could Exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS			
	<u>(Unknown - Could Exceed \$100,000)</u>	<u>(Unknown - Could Exceed \$100,000)</u>	<u>(Unknown - Could Exceed \$100,000)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

Current law permits local school boards to dismiss tenured teachers for certain causes after following certain administrative procedures. This proposed legislation amends such procedures to allow teachers the right to request a preliminary hearing before an impartial hearing officer concerning the dismissal; however, the board would retain the authority to make the final decision as to whether or not the teacher is dismissed.

The proposal requires school boards or superintendents to notify teachers at least sixty days before formal notice is served, instead of the current thirty day notice requirement. Should the teacher request a preliminary hearing, the superintendent is required to contact the Labor and Industrial Relations Commission, and the act delineates a procedure for the selection of a hearing officer and for the hearing itself. Further, the proposal directs the Labor and Industrial Relations Commission to promulgate rules for the hearings. The proposal specifies that the school district must pay the costs pertaining to the preliminary hearing, except for the teacher's counsel. The proposal specifies that the hearing will be open to the public unless the teacher requests that the hearing be closed.

Should a school board suspend a teacher until a decision is rendered, that teacher is entitled to receive salary and benefits during the suspension. Currently, teachers are only guaranteed salary.

Within 30 days after the hearing, the hearing officer must present an advisory opinion. Within

thirty days of the receipt of this opinion, the school board shall provide notice to the teacher as to DESCRIPTION (continued)

the board's intention. If the officer's opinion is in favor of dismissal, the teacher's benefits and salary may be suspended, however, such benefits will be repaid if the board reverses the decision of the hearing officer.

After the preliminary hearing, the teacher is entitled to a hearing before the board, which will be open to the public unless the teacher requests that the hearing be closed. The record of the preliminary hearing shall be part of the record of the board meeting. The board's decision is final; however, current law allows such decisions to be appealed to the Circuit court.

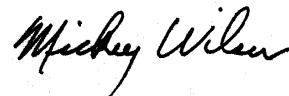
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Department of Elementary and Secondary Education
Office of Secretary of State
 Administrative Rules Division
Office of State Courts Administrator
School Districts
 Poplar Bluff
 Independence

NOT RESPONDING

School Districts
 Farmington
 Ste Genevieve
 St Louis
 Other school districts_____



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Director

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