

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0870-06
Bill No.: SB 443
Subject: Teachers; Education, Higher; Education, Elementary and Secondary; Elementary and Secondary Education Department
Type: Original
Date: February 27, 2007

Bill Summary: Creates the Teach for Missouri Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$53,495 to \$1,053,495)	(\$63,146 to \$1,063,146)	(\$65,040 to \$1,065,040)
Total Estimated Net Effect on General Revenue Fund	(\$53,495 to \$1,053,495)	(\$63,146 to \$1,053,495)	(\$65,040 to \$1,053,495)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Teach for Missouri Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Offsetting Transfers In and Disbursements are Unknown - Up to \$1,000,000 per year.
 Numbers within parentheses: () indicate costs or losses. This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

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 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board for Higher Education** indicated there would be no fiscal impact on their agency.

Officials from the **Office of 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 to the SOS office for Administrative Rules is less than \$2,500. 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 **Office of the State Treasurer (STO)** state that their agency ensures the disbursements are made from a lawful appropriation and don't exceed the amount of the appropriation. The proposal, as written, could expand those duties for the "Teach for Missouri Fund". As written, STO would need an FTE (Accounting Specialist I - \$39,324 plus \$17,762 fringe = \$57,086) to monitor these disbursements. (This will be allocated proportionately as a retention of interest earnings on state funds in accordance with Section 30.605 RSMo.)

Officials from the **Department of Elementary and Secondary Education (DES)** state the proposal requires that DES create and maintain a "Teach for Missouri" coordinator position. DES assumes a supervisor position would be able to carry out the requirements of the proposal. (§168.700.5)

For fiscal note purposes only, **Oversight** has calculated the salary based on the salary listing in current DES job opportunity postings.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost</u> - DES - Appropriation for "Teach for Missouri Program" (§168.700.9)	(Unknown - Up to <u>\$1,000,000</u>)	(Unknown - Up to <u>\$1,000,000</u>)	(Unknown - Up to <u>\$1,000,000</u>)
<u>Cost</u> - DES			
Personal Service	(\$31,909)	(\$39,440)	(\$40,623)
Fringe Benefits	(\$14,442)	(\$17,851)	(\$18,386)
Equipment and Expense	(<u>\$7,144</u>)	(<u>\$5,855</u>)	(<u>\$6,031</u>)
Total Personal Costs (§168.700.5)	(<u>\$53,495</u>)	(<u>\$63,146</u>)	(<u>\$65,040</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$53,495 to \$1,053,495)</u>	<u>(\$63,146 to \$1,063,146)</u>	<u>(\$1,065,040 to \$1,065,040)</u>
Estimated Net FTE Change for General Revenue	1 FTE	1 FTE	1 FTE
TEACH FOR MISSOURI FUND			
<u>Transfer In</u> - Appropriation from General Revenue (§168.700.9)	Unknown - Up to \$1,000,000	Unknown - Up to \$1,000,000	Unknown - Up to \$1,000,000
<u>Cost</u> - Disbursements to qualified applicants (§168.700.4)	(Unknown - Up to <u>\$1,000,000</u>)	(Unknown - Up to <u>\$1,000,000</u>)	(Unknown - Up to <u>\$1,000,000</u>)
ESTIMATED NET EFFECT ON TEACH FOR MISSOURI FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FISCAL IMPACT - Local Government			
	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

FISCAL DESCRIPTION

168.700.4

The Department of Elementary and Secondary Education shall create and maintain a "Teach for Missouri" coordinator position, the main responsibility of which shall be the identification, recruitment, and selection of potential students.

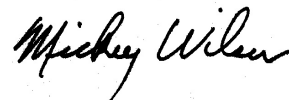
168.700.9

The general assembly shall appropriate an amount necessary to properly fund this program, not to exceed one million dollars in any fiscal year.

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
Coordinating Board for Higher Education
Office of State Treasurer
Office of Secretary of State
Administrative Rules Division



Mickey Wilson, CPA
Director
February 27, 2007