

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4814-02
Bill No.: Truly Agreed To and Finally Passed SB 1066
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees, Councils
Type: Original
Date: May 23, 2008

Bill Summary: Creates an alternative mechanism for teacher certification. Allows the State Auditor to audit any school district in the same manner as any agency of the State. Requires the Joint Committee on Education to approve certain disbursements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

- 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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education** state this proposal will have no direct 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 for this proposal 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.

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this proposed legislation would allow certificates of license to teach based on certification by the American Board for Certification of Teacher Excellence. DES assumes the applicant would pay the \$600 - \$750 cost of the test. However, DES would have to verify the teaching experience and the additional professional development and mentoring required. DES would require 1.0 FTE Supervisor to meet these requirements.

Oversight assumes this proposal expands the certification criteria by allowing applicants who are certified by the American Board for Certification of Teacher Excellence to be granted certificates to teach. Since the number of potential applicants is unknown, for fiscal note purposes, **Oversight** assumes the program can be administered with existing resources. If the amount of applicants is large and additional personnel are needed, funds to support the program would be sought through the appropriations process.

Officials from the **Marshfield R-1 Public School District** state no known cost to their district resulting from this proposal.

Officials from **Missouri State University** and the **University of Missouri** assume no direct fiscal impact to their respective institutions from this proposal legislation.

Officials from the **University of Central Missouri** assume there could be lost revenue due to a number of students who might not pursue a teaching degree.

ASSUMPTION (continued)

Oversight assumes this proposal does not replace the traditional teaching certification and will not affect the number of persons pursuing a teaching degree through the college process.

Senate Amendment 3 (Section 1)

Officials from the **Department of Elementary and Secondary Education** assume this amendment would have no fiscal impact on their agency.

Officials from the **Attorney General's Office (AGO)** assume that any costs associated with this proposal may be absorbed with existing resources. From time to time, the Auditor's office will consult with the AGO about certain legal questions related to an audit such as the Missouri Sunshine Law.

Officials from the **State Auditor's Office (SAO)** assume this proposal provides the SAO with the ability to conduct audits of school districts without a petition or request from the governor. The SAO assumes this proposal could have a significant impact on the workload of the SAO. With 524 public school districts in Missouri, it is highly likely that numerous audits will be required of the SAO as a result of this provision. For purposes of this response, it is estimated that 10-20 additional audits will be conducted each year as a result of this language. The number of actual audits required as a result of this provision is unknown and could easily exceed the SAO estimate. At a minimum, an audit team consisting of 4 Staff Auditors, 1 In-Charge Auditor and 1 Audit Manager is necessary. The initial cost would be: Salaries - \$217,570; Fringe Benefits - \$96,209; and, Equipment and Expense - \$36,342 for a total cost of \$350,121 in FY 2009.

Oversight assumes the proposal does not require the SAO to audit all school districts. Until the SAO establishes procedures regarding the selection of school districts to audit and what type of audit will be performed, **Oversight** assumes costs to SAO could be absorbed with existing resources. If a significant fiscal impact were to result, funds for personal services would be sought through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

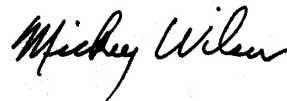
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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
Department of Higher Education
Office of Secretary of State
 Administrative Rules Division
Office of State Auditor
Office of Attorney General
Marshfield R-1 Public School District
University of Missouri
Missouri State University
University of Central Missouri



Mickey Wilson, CPA
Director

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