

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0665-06  
Bill No.: HCS for SS for SCS for SB 125  
Subject: Saint Louis; Education, Elementary and Secondary; Employees - Employers;  
 Teachers  
Type: Original  
Date: April 19, 2013

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Bill Summary: This proposal modifies provisions relating to educational accountability.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Unknown - May exceed \$100,000)	(Unknown - May exceed \$100,000)	(Unknown - May exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown - May exceed \$100,000)</b>	<b>(Unknown - May exceed \$100,000)</b>	<b>(Unknown - May exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>(Could exceed \$100,000)</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there may be some costs to local school districts and charter schools to implement the provisions of this proposal. Costs will likely be significant.

#### §168.128 - Evaluation Systems

This section requires DESE to "monitor local evaluation systems...to ensure that evaluation outcomes are consistent in the aggregate with student achievement results at the district and school levels; and that the evaluation systems meet the requirements of this section and implement rules and regulations issued by the Department of Elementary and Secondary Education; and direct any appropriate corrective actions." This will result in unknown costs to the department in excess of \$100,000.

Officials from the **Department of Labor and Industrial Relations** state this section will have no fiscal impact on their agency.

Officials from the **Kansas City Public School District** state their district recently implemented a new teacher evaluation. If the current evaluation meets the guidelines established by DESE via the text of this legislation there is little fiscal impact to the district. If DESE requires the district to revise or implement a different evaluation method, it is estimated the negative fiscal impact may exceed \$50,000 to computerize, train, and make fully operational.

**Oversight** assumes there could be implementation costs to school districts. Oversight assumes provisions of the proposal will not be in place until the 2014-2015 school year and will show implementation costs to the school districts in FY 2015.

#### §161.092 - Public school classification notification

DESE assumes costs to provide notice in accordance with the requirements of this section are unknown; however, would not likely be significant.

In response to an earlier version of this proposal, officials from the **University of Missouri System** (Charter School Sponsors) stated this proposal will have no fiscal impact on the University System.

ASSUMPTION (continued)

Also in response to an earlier version of this proposal, officials from the **Office of Secretary of State (SOS)**, assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office 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 fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Joint Committee on Administrative Rules, Administrative Hearing Commission**, and the **Special School District of St. Louis County** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **St. Louis School District** did not respond to a request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE</b>			
Costs - Department of Elementary and Secondary Education - Administration expenses related to evaluation systems (\$168.128)	(Unknown - May exceed <u>\$100,000</u> )	(Unknown - May exceed <u>\$100,000</u> )	(Unknown - May exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Unknown - May exceed <u>\$100,000</u>)</b>	<b>(Unknown - May exceed <u>\$100,000</u>)</b>	<b>(Unknown - May exceed <u>\$100,000</u>)</b>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
Costs - Local School Districts - Implementation of teacher employment and evaluation procedures	<u>\$0</u>	(Could exceed <u>\$100,000</u> )	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b>(Could exceed <u>\$100,000</u>)</b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal changes the laws regarding educator accountability.

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  
Joint Committee on Administrative Rules  
Office of Secretary of State  
    Administrative Rules Division  
School Districts  
    Kansas City Public School District  
    Special School District of St. Louis County  
Charter School Sponsors  
    University of Missouri System

**Not Responding:**

St. Louis School District



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