

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0542S.02I
 Bill No.: SB 137
 Subject: Department of Elementary and Secondary Education; Education, Elementary and Secondary; Teachers
 Type: Original
 Date: January 26, 2023

Bill Summary: This proposal requires the Department of Elementary and Secondary Education to develop a patriotic and civics training program for teachers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	(Unknown, \$36,146,370 to Could exceed \$216,194,370)	(Unknown, Could exceed \$10,551,531)	(Unknown, Could exceed \$10,551,531)
Total Estimated Net Effect on General Revenue	(Unknown, \$36,146,370 to Could exceed \$216,194,370)	(Unknown, Could exceed \$10,551,531)	(Unknown, Could exceed \$10,551,531)

*Oversight is reflecting a range of impact of \$35,895,000 (5 teachers per school building x \$3,000) to the potential estimate provided by DESE of \$215,943,000 (total active public school population of almost 72,000 teachers x \$3,000) in the first year and an unknown cost for new teachers entering the field in future years.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 170.370 - Patriotic and Civics Training Program for Teachers

Officials from **Department of Elementary and Secondary Education (DESE)** state, assuming all active teachers participate in this training and based on the 2021-22 school year data of 71,981 teachers (at a cost of \$3,000 per teacher), the estimated cost to DESE is \$215,943,000. Please note, this number does not include any private school teachers who may take this training. Nor does this number include the number of new teachers entering the field who may participate in this training.

Costs will continue annually to allow new teachers to participate in the training and receive the benefit. DESE estimated between 3,500 and 4,000 teachers will enter the field annually for an ongoing cost of \$10,500,000 to \$12,000,000.

Officials from the **Office of Administration – Information Technology** state it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. This project would have to be prioritized by DESE to be worked among DESE's other projects. ITSD assumes a new application or existing application modification will be required, as something will be needed to track the data the bill requires - training, payments, etc. ITSD estimates the project would take 2,646.00 hours at a contract rate of \$95 for a total cost of \$251,370 with on-going support costs.

Oversight assumes this proposal offers a one-time bonus of \$3,000 for teachers to participate in the program. Oversight notes the following costs based on differing levels of participation:

Percentage of Participation	Number of Participants	Costs
1% of Teacher's Participation	720	\$2,160,000
5% of Teacher's Participation	3,599	\$10,797,000
10% of Teacher's Participation	7,198	\$21,594,000

Oversight notes there are 2,393 school buildings in Missouri. Oversight assumes if there were 5 teachers per building that may teach civics or be allowed to apply for the training, the estimated cost would be \$35,895,000 ($2,393 * 5 = 11,965$; $11,965 * \$3,000 = \$35,895,000$).

Oversight is uncertain how many teachers would participate on an annual on-going basis but assumes the participation level could be high given the financial incentive. Oversight will show a range of impact of \$35,895,000 (5 teachers per school building) to the estimate provided by DESE of \$215,943,000 (total teacher population) in the first year and a cost that could exceed

\$10,500,000 for new teachers entering the field in future years. Oversight assumes the cost could exceed the estimate provided by DESE if the bonus is available to private school teachers.

Oversight will show the IT costs as estimated by DESE-ITSD.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the 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 the office can sustain with its core budget. Therefore, the 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.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
<u>Costs</u> - one-time bonus paid to teachers for completing the training §170.370	(Unknown, \$35,895,000 to Could exceed \$215,943,000)	(Unknown, Could exceed \$10,500,000)	(Unknown, Could exceed \$10,500,000)
<u>Costs</u> - ITSD costs to develop and maintain a tracking system for the training program - §170.370	<u>(\$251,370)</u>	<u>(\$51,531)</u>	<u>(\$52,819)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown, \$36,146,370 to Could exceed \$216,194,370)	(Unknown, Could exceed \$10,551,531)	(Unknown, Could exceed \$10,551,531)

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<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

This act requires the Department of Elementary and Secondary Education to develop a patriotic and civics training program for teachers based upon the Constitution of the United States, American history, and American institutions. The Department may identify and collaborate with local, state, and national civics education organizations and projects in developing and providing the training program. Each teacher that completes the program shall receive a one-time bonus of \$3,000.

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
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
January 26, 2023



Ross Strobe
Assistant Director
January 26, 2023