

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0642H.05C  
Bill No.: HCS for SS for SB 266  
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary  
Education; Children and Minors; Teachers  
Type: Original  
Date: May 6, 2025

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Bill Summary: This proposal modifies provisions governing elementary and secondary education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	More or less than (\$1,087,280)	More or less than (\$1,083,327)	More or less than (\$1,232,429)
<b>Total Estimated Net Effect on General Revenue</b>	<b>More or less than (\$1,087,280)</b>	<b>More or less than (\$1,083,327)</b>	<b>More or less than (\$1,232,429)</b>

\*§163.045 allows for the potential that some schools will become eligible for additional (1% up to 2%) state aid payments that otherwise would not have been eligible. Oversight assumes this cost would not exceed \$250,000.

\*§161.670 of the proposal states that any virtual school or program may administer any statewide assessment required pursuant to the provisions of section 160.518 in a virtual setting that aligns with the student's regular academic instruction.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

☒ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government*</b>	<b>Unknown or (Unknown)</b>	<b>Unknown or (Unknown)</b>	<b>Unknown or (Unknown)</b>

\*§163.045 allows for the potential that some schools will become eligible for additional (1% up to 2%) state aid payments that otherwise would not have been eligible. Oversight assumes this cost would not exceed \$250,000.

\*Oversight assumes there is potential administrative, training, and various other costs to local education agencies to implement §§160.1052-160.1055. Oversight assumes the fiscal impact could be significant.

\*Oversight notes §168.411 results in a potential increase in hearings for school boards regarding nonrenewal contracts for building-level administrators.

## FISCAL ANALYSIS

### ASSUMPTION

#### §§160.261, 160.263, 160.775, 162.069, 167.950, 168.331, and 170.048– Training Requirements

Officials from **Department of Elementary and Secondary Education (DESE)** assume the proposal will have no fiscal impact on their respective organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

**Oversight** assumes there could be savings for school districts if annual training is no longer required and districts elect a training schedule other than annually (based on the needs of the school district, each individual employee, or both). Oversight assumes new training, instruction or education required under state law or rules promulgated by DESE must occur for three consecutive years beginning in FY 2026 for each newly hired employee.

#### §§160.1052 - 160.1055 – Missouri Educators and Parental Empowerment and Rights Act

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for their agency.

In response to similar legislation, HCS for HB Nos. 408, 306, and 854 (2025), officials from the **Missouri House of Representatives**, and the **Missouri Senate** both assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to similar legislation, HCS for HB Nos. 408, 306, and 854 (25), officials from **Washington School District** assumed this bill could cost \$200K-\$500K annually for the addition of administrative and secretarial work/positions to ensure the compliance requests are being met. In addition, there would be a significant change in language and procedures that would need to be updated with items such a safety language throughout all buildings from their current "I love you guys" national standard protocol to the language in the bill of "lockdown/lockout". While the majority of the requests in this bill are items that they are already transparent about; however, the compliance procedures would cause stress and strain on their system and their current staffing.

**Oversight** assumes the following will have a fiscal impact on local school districts and charter schools:

Section 160.1055.1 states each local educational agency shall develop policies and procedures for such LEA to follow to accommodate and assist parents and teachers in the exercise of the rights described in sections 160.1052 to 160.1055.

Section 160.1055.6 (1) states each LEA shall provide a physical or electronic copy of sections 160.1052 to 160.1055 to each parent, teacher, and student at the beginning of each school year.

Section 160.1055.9 (1) states a local educational agency may, at such LEA's discretion and with school board or governing board approval, incorporate evidence-based training for teachers and counselors on strategies to guide students toward personal resilience.

Section 160.1055.10 states each local educational agency shall ensure that teachers and staff are trained in methods to maintain order, encourage compliance, and foster respect, using an approach grounded in traditional values and personal responsibility.

Section 160.1055.12 states each LEA's governing board shall adopt such policies and procedures required by this section for the 2026-27 school year and all subsequent school years.

**Oversight** assumes there could be administrative costs and employee training costs to implement the provisions of this section. Oversight will show a range of impact of \$0 (could absorb costs) or an unknown cost to LEAs.

**Oversight** notes Section 160.1053 shall be known as the Parent Bill of Rights. Oversight assumes there could be training costs and administrative costs related to notifications and printing. Oversight is uncertain if these costs could be absorbed by school districts. Therefore, Oversight will a zero (no additional costs or costs can be absorbed) or unknown costs to LEAs in the fiscal note.

**Oversight** notes Section 160.1054 shall be known as the Educators' Bill of Rights. §160.1054.2(2) states “The right to be free from physical abuse from a parent and to be protected from oral, written, or electronically generated threats of harm. Such abuse is grounds for the prohibition of the physical presence of the perpetrator of such abuse on the LEA's property and at the LEA's events and may result in other legal actions taken by such teacher”. Oversight assumes there could be legal costs to school districts to provide legal defense. Therefore, Oversight will reflect a zero (no litigation) or an unknown cost to LEAs in the fiscal note.

#### §§160.2700, 160.2705, & 160.2710 – Adult High Schools

Officials from **Department of Elementary and Secondary Education** assume they currently provide childcare services to participants in Adult High Schools. Assuming the average participation in Adult High School is 191 students/month, the average cost per child is \$639.05/month. DESE assumed a 10% increase for year one (\$146,470), 20% year two (\$292,940) and 30% increase year three (\$439,410).

Current Contract Amount: \$1,464,700.00

**Oversight** is uncertain if the costs estimated by DESE would be realized. Therefore, Oversight will assume a range of impact of \$0 up to the costs estimated by DESE.

**Oversight** notes that in response to similar legislation, SB 426 (2025), officials from the DSS stated the Children’s Division (CD) would not see an increased cost and the Family Support Division (FSD) believes the costs would be negligible. Therefore, DSS assumes the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DSS.

**Oversight** notes DSS presented the following information in the [FY26 DSS Programs Book](#):

*The Department of Social Services (DSS) administers funding for the Adult High School (Excel Centers), which were bid through the Department of Education and Secondary Education (DESE) and awarded to MERS Goodwill. The Excel Centers offer public high school for adults 21 and over through flexible class schedules, supportive relationships with staff, and a life coach who works with students to find solutions for life’s challenges that could hinder progress. While earning their diploma, students earn college credits and a variety of industry-recognized certifications in order to increase their earning potential. Excel Centers provide a free drop-in center for child care, transportation assistance, extended hours and year-round operations to support students as they work toward the goal of earning a diploma.*

Excel Center Enrollments:

FY 2022	1,206
FY 2023	1,310
FY 2024	1,547

#### §161.026 – Teacher Representative

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for their agency.

In response to similar legislation, HCS for HB 1413 (2025), officials from the **Missouri Senate** and the **Office of the Governor** both assumed the proposal will have no fiscal impact on their respective organizations.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### §161.670 - Statewide Assessment of Students Enrolled in Virtual School

Officials from **Department of Elementary and Secondary Education** state Section 161.670 would allow the virtual administration of the statewide assessment of students enrolled in virtual school.

The Missouri Technical Advisory Committee for Assessment recommends that the Department

of Elementary and Secondary Education (DESE) create a separate test form to meet the requirements as outlined and to limit the exposure of the item bank used for all assessments.

Data Recognition Corporation (DRC) currently is contracted to do similar work and DESE assumes would be responsible for the development of forms (tests), scoring, and reporting either through a contract amendment or a new contract. Based on the current contract costs, fourteen forms will need to be developed for grade levels: 3-8 English Language Arts, 3-8 Mathematics, 5 & 8 Science (\$73,941 year one) and ten forms will need to be developed for end-of-course English 1 & 2, Algebra 1 & 2, Geometry, Government, Biology, Physical Science, American History, and Personal Finance (\$69,978 year one).

This development includes the creation of forms dedicated to virtual administration, online administration, reporting, dedicated IT services, psychometric services, validity study of virtual administration, program coordination and manual production for virtual administration. Annual costs for this would be:

1. \$443,822, plus;
2. \$200,000 annually for data forensics and test security.

In addition, DESE estimates \$214,800 for camera and communication devices necessary for remote test administration. DESE assumes the state would be responsible for providing these to vendors with an estimated cost per camera = \$30 per x 6,200 unduplicated count of students enrolled in MoCAP 203-24 academic year = \$186,000. This equipment would be returned to vendors with an estimated annual need to replace a minimum number. Annual replacement cost is estimated at \$15,000.

**Oversight** notes after further inquiry with DESE the assumed total stated in their response was incorrect. Oversight notes the total cost for cameras and communication devices for remote test administration should be \$186,000 as calculated by DESE.

**Oversight** notes that the proposal states that any virtual school or program may administer any statewide assessment required pursuant to the provisions of section 160.518 in a virtual setting that aligns with the student's regular academic instruction. Oversight is unable to determine how many virtual schools or programs will decide to administer virtual assessments.

In addition, the cost of camera and communication devices necessary for remote test administration could potentially vary depending on compatibility with specific devices as well as the required wide degree angle of view in order to meet the requirements of the proposal. Therefore, Oversight will reflect a \$0 (no participation in virtual assessment) to a fiscal impact that could exceed the estimate provided by DESE in the fiscal note.

Officials from the **Joplin School District** assume the proposal will have no fiscal impact on their organization.

In response to similar legislation, HB 220 (2025), officials from **Hume R-VIII School District** assumed MOCAAP already cost their district a lot of money.

In response to similar legislation, SB 1049 (2024), officials from the **Concordia R-II School District** assumed the proposal would have no fiscal impact on their organization.

In response to similar legislation, SB 1049 (2024), officials from the **Henry County R-1 School District** assumed the proposal would have a fiscal impact on their organization.

**Oversight** does not anticipate a fiscal impact to school districts. However, Oversight received limited responses from school districts related to the fiscal impact of this proposal.

#### §162.207 – Electronic Personal Communication Devices

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

In response to similar legislation, HCS for HB Nos 408,306, & 854 (2025), officials from the **Washington School District** assumed the impact of this bill could be \$3,000 annually for administrative training, additional time for discipline, and communication costs for families. They would also caution that approval of this bill takes away local control of the district's Board of Education, parent rights, and procedures that each school should be putting in place.

**Oversight** assumes any additional costs to schools as a result of the proposal would be immaterial and will not reflect them in the fiscal note.

#### §163.045 - Additional Funding to School Districts with 169-day School Calendar

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

In addition, DESE provided the Department does not collect final calendars till the school year is complete, so based upon the School Year (SY) 2024 actual calendar only 49 school districts had calendars for all students claimed for state aid of 169 days or more. Please note, many LEA's are reviewing their SY 2025 calendars and considering adjustments based upon their LEA's specific benefit if they ensure calendars for all students claimed for state aid equal or exceed 169 days. DESE expects these numbers to fluctuate as schools make decisions and changes to their calendars.

**Oversight** notes Section 163.045 clarifies language relating to additional funding for teacher salaries that districts receive if the district has a school calendar with 169 school days. The clarification provided allows for inclement weather or authorized reductions to the number of days the district must be in session to qualify for the funding

In response to similar legislation, HCS for HB 368 (2025), officials from **East Buchanan Co. C-I School District** assumed the school district has made every effort to meet the 169-calendar requirement. Although their calendar was already created and approved prior to this opportunity being enacted, they already had an approved 170-day calendar. They have used their full allotment (6 days) of AMI and have added as many days as possible to their calendar without interrupting their summer school and going past Memorial Day. Despite this, they are currently on track to go 168 days because of the 11 days of weather cancellations they have endured this year.

Passage of this bill would allow their district to receive approximately \$35,000 in additional funding for teachers in the upcoming school year.

**Oversight** has no way to determine how many schools will adjust their school calendar to a 169 day or more school term to obtain additional funding. There is potential that more schools will become eligible for the amount equal to one percent for fiscal years 2026 and 2027, or two percent for fiscal year 2028 and all subsequent fiscal years, of each district's preceding year's annual state aid entitlement moving forward. Therefore, Oversight will reflect a \$0 or Unknown cost to GR, as well as a \$0 to Unknown gain to school districts in the fiscal note.

#### §163.172 - Baseline Teacher Salary

In response to similar legislation, SCS for HCS for HB 607 (2025), officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

#### §167.167 - Prohibiting Zero-Tolerance Policies/Practices of Discipline in Public Schools

In response to similar legislation, SCS for HCS for HB 607 (2025), officials from **DESE** assumed this section of the proposal will have no fiscal impact on their respective organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

**Oversight** does not anticipate a fiscal impact to schools as a result of this proposal, therefore, Oversight will reflect a zero impact in the fiscal note.

#### §168.025 - Teachers Externships

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.



**Oversight** notes, with the proposal, HCS for HB 604 (2019), the DED and DESE created rules for the program regarding requirements for teacher externships to be considered equivalent to credit hours of graduate-level courses for salary schedules.

**Oversight** notes Section 163.172 outlined the minimum starting salary for a teacher of \$25,000 and for teachers with master's degrees the minimum is \$33,000. Should DED and DESE determine that externships be allowed to be substituted for graduate-level courses, Oversight assumed it was possible that teachers may move up their district's salary schedule quicker.

**Oversight** notes that according to the [DESE Certified Externship: Information Guide](https://dese.mo.gov/media/pdf/occr-pathways-certified-educator-externship-experience) <https://dese.mo.gov/media/pdf/occr-pathways-certified-educator-externship-experience>

Requirements of the Externship Program are:

1. The externship participant is to spend a required total of 120 hours at the host industry site. This will equate to two (2) college graduate hours for possible advancement on the district's salary schedule. The site must be a prior district-approved location.
2. Complete the outlined requirements that include the following:
  - a. Making daily journal/reflections (one page per day) during the experience;
  - b. Developing a unit plan, lesson plan, presentation, or improvement plan for implementation that the educator will share with instructors, administrators, board of education, or any other group as specified by the participant's district at their direction.
  - c. Evaluating the externship experience.
  - d. Writing a thank you note to the host site.
3. Be punctual, appropriately dressed, and follow the host site instructions for working at the assigned facility.
4. Actively seek opportunities to learn about the company and to identify company resources that may be useful to students and colleagues.

**Oversight** notes according to the [DESE statistics of Missouri Public School 2023-2024](#) there were 70,858 classroom teachers (the total potential includes some double counting of dual position holders).

**Oversight** will show this proposal could have a \$0 (no change to salary schedules) to an unknown impact, on the school districts, for increased teacher salaries due to the continuation of the program, after the proposal was set to expire August 28, 2024.

In response to similar legislation, HCS for HB 267 (2025), officials from the **Hume R-VIII School District** assumed the proposal will have no fiscal impact on their organization.

In response to the similar legislation, HCS for HB 462 (2019), officials at the **Raymore-Peculiar School District** assumed they have only had teachers participate in externships using the grant and that these externships are minimal time involvement. They noted that teachers can move laterally on the salary schedule for each 8 hours of graduate credit they have. Each 8 hours is worth about \$700. If the hours lead to an advanced degree, the increase in salary is \$2,500 annually per teacher.

In response to the similar legislation, HCS for HB 462 (2019), officials at the **Columbia Public Schools** stated they have teachers that participate in externships in the local community and that those are done for 6-8 weeks in the summer months.

In response to the similar legislation, HCS for HB 462 (2019), officials at the **Bellevue R-III School District** stated they can not afford to hire substitute teachers and pay a teacher, so they do not participate in externships.

In response to a similar legislation, HCS for HB 462 (2019), officials at the **Wellsville Middletown R-1 School District** do not have teachers that participate in externships.

In response to similar legislation, HCS for HB 267 (2025), officials from the **Office of Administration – Budget & Planning** assumed the provisions of this bill have no direct impact on total state revenues. The General Revenue fund may be impacted to the extent that the General Assembly appropriates monies for this program.

In response to similar legislation, HCS for HB 267 (2025), officials from the **Department of Corrections** assumed the proposal will have no fiscal impact on their organizations.

#### §168.036 - Granting Substitute Teacher Certificates

Officials from the **Public Education Employees' Retirement System (PSRS/PEERS)** assume this bill, as currently drafted, extends the temporary provision allowing individuals who are receiving a retirement benefit from PSRS or PEERS to substitute teach on a part-time or temporary substitute basis in a covered school district without a discontinuance of the person's retirement benefit. The provisions in this bill only apply to part-time or temporary substitute teaching. As specified in this bill, if an individual chooses to work for a covered employer after retirement under this provision, they will not contribute to additional retirement benefits.

This provision was enacted in 2022 with an expiration of June 30, 2025. This bill extends the temporary provision through June 30, 2030.

The Systems have an actuary firm, PwC US (PwC), that prepares actuarial cost statements on any proposed legislation as well as the annual actuarial valuation reports for the Systems. As discussed in more detail below, the temporary suspension of the working after retirement limitations as proposed in this bill could have a fiscal impact on PSRS and PEERS.

#### Analysis of impact on PSRS

The 550-hour and 50% of compensation limitations applicable to retired PSRS members who return to work in substitute teaching positions is significantly less than half of the capacity worked by a fulltime teacher and therefore limits the work a rehired retiree can perform in a substitute teaching position without a suspension of their benefit. Suspending these limitations through June 30, 2030 could incentivize existing PSRS members to significantly change their retirement behavior and career planning. In addition, an extension of the working after retirement limits suspension would give employers a greater ability to replace full-time active employees with rehired retirees, allowing employers to save on the cost of contributions to PSRS (for part-time or temporary substitute teaching positions). Such behavior could have a significant impact on the cost of PSRS as earlier retirement by active members could increase the Actuarial Accrued Liability, and therefore the Unfunded Actuarial Accrued Liability, and result in a decrease in covered payroll which would increase the Actuarially Determined Contribution Rate.

However, SB 266 does include some conditions that would limit the fiscal impact, including:

- The end date for suspension of the working after retirement limitations of June 30, 2030 would limit any changes in retirement behavior and any changes in employer hiring to a temporary period (absent further extensions).
- Retirees who return to work in substitute teaching positions would only be able to return on a part-time or temporary basis, not on a full-time basis.

In addition, current statistical data on retired PSRS members who have returned to work since the temporary suspension of the limits went into effect in 2022 has been reviewed. The COVID pandemic and other legislation affecting working after retirement make it difficult to conclude from the data whether retirement patterns have been affected by the current suspension. However, to date, it does not appear to indicate a significant change in retirement behavior by members or hiring practices by employers as the number of retirees working after retirement remains below pre-pandemic levels. However, there is a recent increase in the average hours worked and average earnings by retirees who have returned to work due to some rehired retirees working in a capacity that would have exceeded the limitations of RSMo 169.560 if not for the suspension of those limits for part-time or temporary substitute teaching in RSMo 168.036.

For the reasons noted above and discussed in the actuarial cost estimate, PwC estimates the impact of extending the suspension of limitations on working after retirement for parttime or temporary substitute teaching positions through June 30, 2030 to be **an insignificant fiscal impact if retirement behavior remains unchanged**. However, there would be a fiscal cost if there is a change in active member retirement behavior to retire earlier, resulting in fewer full-time teachers participating in, and contributing to, PSRS, and they continue to caution that the fiscal impact could be significant if the suspension of the limitations continues to be extended and effectively becomes a permanent provision.

#### Analysis of impact on PEERS

The 550-hour limitation applicable to retired PEERS members who return to work in substitute teaching positions is significantly less than half of the capacity worked by a full-time employee and therefore limits the work a rehired retiree can perform without a suspension of their benefit. Suspending these limitations through June 30, 2030 for part-time or temporary substitute teaching positions could incentivize existing PEERS members to significantly change their retirement behavior and career planning. In addition, an extension of the working after retirement limits suspension would give employers a greater ability to replace full-time active employees with rehired retirees, allowing employers to save on the cost of contributions to PEERS (for part-time or temporary substitute teaching positions). Such behavior could have a significant impact on the cost of PEERS as earlier retirement by active members could increase the Actuarial Accrued Liability, and therefore the Unfunded Actuarial Accrued Liability, and result in a decrease in covered payroll which would increase the Actuarially Determined Contribution Rate.

However, SB266 does include some conditions that would limit the fiscal impact, including:

- The end date for suspension of the working after retirement limitations of June 30, 2030 would limit any changes in retirement behavior and any changes in employer hiring to a temporary period (absent further extensions).
- Retirees who return to work in substitute teaching positions would only be able to return on a part-time or temporary basis, not on a full-time basis.
- The number of PEERS retirees who are certificated and eligible to fill substitute teaching positions has historically been very few.

In addition, current statistical data on retired PEERS members who have returned to work since the temporary suspension of the limits went into effect in 2022 has been reviewed. The COVID pandemic and other legislation affecting working after retirement make it difficult to conclude from the data whether retirement patterns have been affected. However, to date, it does not appear to indicate a significant change in retirement behavior by members or hiring practices by employers, or an increase in the number of PEERS retirees being hired to fill part-time or temporary substitute teaching positions.

For the reasons noted above and discussed in the actuarial cost estimate, PwC estimates the impact of extending the suspension of limitations on working after retirement for parttime or temporary substitute teaching positions through June 30, 2030 to be **an insignificant fiscal impact to PEERS**. However, they continue to caution that the fiscal impact could be significant if the suspension of the limitations continues to be extended and effectively becomes a permanent provision.

PSRS/PEERS provide retirement benefits to approximately 132,000 active members and over 110,000 retired Missouri public school teachers, school employees, and their families. The total invested assets of both PSRS and PEERS were \$58.7 billion as of June 30, 2024.

**Oversight** notes this provision was enacted in 2022 with an expiration of June 30, 2025. This proposal extends the temporary provision through June 30, 2030. Therefore, Oversight assumes

the temporary change will result in an insignificant fiscal impact to PSRS/PEERS and therefore, no impact to member employers.

Officials from **Joint Committee on Public Employee Retirement** assume the review of SB 266 indicates it would not create a “substantial proposed change” in future plan benefits as defined in Section 105.660(9).

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

#### §§168.410 & 168.411 – School Building Administrators

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for their agency.

**Oversight** notes there is a potential for increased hearings before the school boards. Oversight has no way to determine the number of potential hearings. Oversight notes §168.118 mandates school boards cover all cost of hearings, except the cost of counsel for teachers, when a teacher’s contract is terminated or demoted. Therefore, oversight will reflect zero (no new hearings) to an unknown cost to school districts in the fiscal note.

In response to similar legislation, HB 1365, officials from **Hume R-VIII School District** noted this is similar to teacher’s contracts. They assume no additional expense unless they have to purchase an evaluation program.

#### Section 170.315 – Intruder Response Training

In response to similar legislation HB 232, (2025), officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed with the provisions in Section 170.315.6, the Highway Patrol does anticipate an increase in the number of tips due to the required annual training of every student in the state. The training component in House Bill 416 would bring the Courage2Report information to every student and promote the use of the tip line.

Courage2Report started in 2019, and since 2020 the tip line has had a steady increase in tip volume annually. From 2020 to 2021, there was an 80% increase in the number of tips, from 2021 to 2022 there was a 75% increase in the number of tips, from 2022 to 2023 there was a 48% increase in the number of tips, and from 2023 to 2024 there was a 25% increase in the number of tips. This equates to 430 received tips in 2019 to 2000+ tips received in 2024. The Patrol does foresee a need for at least one (1) additional FTE to help with the increased workload based on the projected increase in tips that go beyond what current staffing can field.

**Oversight** notes this section requires that beginning in the 2026-27 school year the Active Shooter and Intruder Response Training for Schools Program be required for teachers and school

employees on an annual basis. The bill requires that initial training be eight hours and continuing training be four hours in length.

**Oversight** assumes there could be costs for school districts if annual training is required. Oversight assumes new training, instruction or education required under state law or rules promulgated by DESE will be dependent on each school districts' needs. Therefore, Oversight will reflect an unknown impact on the fiscal note.

In response to similar legislation, HB 416 (2025), officials from the **Missouri Office of Prosecution Services** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to similar legislation, HB 416 (2025), officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

In response to similar legislation, HB 416 (2025), officials from **Crane R-III School District** assumed this bill will cost money for AED training, Stop the Bleed training and FEMA training. In addition to the costs of the actual training, the time of having each employee training requires more days to pay teachers. Their daily rate of a first-year teacher is \$250. Take that times 51 plus and the daily rate of one of their lowest paid staff members of \$127 per day for approximately 40 more staff, they are looking at \$18,000 just in added professional development days. Also, the costs of ensuring entrances, interior and exterior doors have the proper covers and locks. Tourniquets and AEDs are also an added expense. The batteries on the AEDs have to be replaced every so many years and they are upwards of \$400 each.

In response to similar legislation, HB 416 (2025), officials from **Maries County R-II School District** assumed the financial issue will be the safety film required for the interior doors and exterior windows. There is a significant cost and a delay in getting anyone able to install the safety film. The cost to the district would be over \$100,000 per building (3 buildings).

In response to similar legislation, HB 416 (2025), officials from the **Wheaton School District** assumed the estimated financial impact of facility improvements, training requirements, and other considerations of the bill \$20,000-\$30,000 initially and \$3,000 annually.

Officials from the **Kansas City Police Department**, and **Branson Police Department** each assumed the proposal will have no fiscal impact on their organizations.

In response to similar legislation, HB 416 (2025), officials from the **St. Louis County Police Department** assumed the proposal will have no fiscal impact on their organizations.

In response to similar legislation, HCS HB 1946 (2024), officials from the **Eureka Fire Protection District** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

#### §171.216 - Tutoring Services Provisions

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

**Oversight** does not anticipate a fiscal impact to school districts or charter schools. However, Oversight assumes any potential costs arising from this proposal can be absorbed with existing resources. Therefore, Oversight will reflect a zero impact in the fiscal note.

#### §173.232 – Teacher Recruitment and Retention State Scholarship Program

In response to similar legislation, HCS for HB 712 (2025), officials from the **DESE** assumed this section of the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to similar legislation, HCS for HB 712 (2025), officials from the **Office of Administration – Budget & Planning (OA-BP)** assumed the provisions of this bill have no direct impact on total state revenues. The General Revenue fund may be impacted to the extent that the General Assembly appropriates monies for this program.

In response to similar legislation, HCS for HB 712 (2025), officials from the **Department of Corrections** assumed the proposal will have no fiscal impact on their organization.

#### Responses regarding the proposed legislation as a whole

Officials from the **Department of Higher Education and Workforce Development, Department of Social Services, Office of Administration, Office of the State Treasurer, University of Central Missouri, and the University of Missouri** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### 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 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE</b>			
<u>Costs – MHP §170.315 p.14</u>			
Personnel Service	(\$56,300)	(\$68,911)	(\$70,289)
Fringe Benefits	(\$51,188)	(\$62,654)	(\$63,907)
Expense & Equipment	(\$3,500)	(\$0)	(\$0)
<u>Total Costs - MHP</u>	<u>(\$110,988)</u>	<u>(\$131,565)</u>	<u>(\$134,197)</u>
FTE Change - MHP	1 FTE	1 FTE	1 FTE
<u>Costs – DESE – Student technology for test administration §161.670 p.6</u>	More or less than (\$186,000)	More or less than (\$15,000)	More or less than (\$15,000)
<u>Costs – DESE – Childcare for Adult High schools §160.2700 p. 4</u>	\$0 Up to (\$146,470)	\$0 Up to (\$292,940)	\$0 Up to (\$439,410)
<u>Costs – DESE – additional funding for 169-day calendar to schools §163.045 p.8</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs – DESE – Data Forensics/Test Security §161.670 p.6</u>	(\$200,000)	(\$200,000)	(\$200,000)
<u>Costs – DRC for development/scoring/reporting §161.670 p.6</u>	(\$443,822)	(\$443,822)	(\$443,822)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>More or less than <u>(\$1,087,280)</u></b>	<b>More or less than <u>(\$1,083,327)</u></b>	<b>More or less than <u>(\$1,232,429)</u></b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>SCHOOL DISTRICTS AND CHARTER SCHOOLS</b>			
<u>Revenue</u> - Additional State Aid §163.045 p.8	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Savings</u> – annual training on certain policies may no longer be required for established employees - §160.261 p.3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> – additional hearings regarding contracts for building-level administrators §168.411 p.13	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - Potential salary adjustments from credit earned on externships – §168.025 p.9-10	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> – training, instruction, and education - §170.315 p.14	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> – administrative/training costs for Parent Bill of Rights - §160.1053 p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> – Legal defense under Educators' Bill of Rights – §160.1054 p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> – administrative/training costs to develop policies and procedures - §160.1055 p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS AND CHARTER SCHOOLS</b>	<b>Unknown or (Unknown)</b>	<b>Unknown or (Unknown)</b>	<b>Unknown or (Unknown)</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 modifies provisions governing elementary and secondary education.

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 and Workforce Development  
Department of Social Services  
Office of the Secretary of State  
Office of the State Treasurer  
University of Missouri  
Office of Administration – Budget and Planning  
Public Schools and Education Employee Retirement Systems  
University of Central Missouri  
Joint Committee on Administrative Rules  
Joint Committee on Public Employee Retirement  
Missouri House of Representatives  
Missouri Senate  
Washington School District  
East Buchanan Co. C-I School District  
Raymore-Peculiar School District  
Columbia Public Schools  
Bellevue School District  
Wellview Middle town School District  
Department of Corrections  
Henry County R-1 School District  
Concordia R-II School District  
Hume R-VIII School District  
Joplin School District  
Missouri Highway Patrol  
Crane R-III School District  
Maries Co. R-II School District  
Wheaton School District  
Kansas City Police Department

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Branson Police Department  
St. Louis Co. Police Department  
Eureka Fire Protection District

A handwritten signature in black ink that reads "Julie Morff". The signature is written in a cursive, flowing style.

Julie Morff  
Director  
May 6, 2025

A handwritten signature in black ink that reads "Jessica Harris". The signature is written in a cursive, flowing style.

Jessica Harris  
Assistant Director  
May 6, 2025