

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3313-04
BILL NO.: SB 987
SUBJECT: Education; Elementary and Secondary
TYPE: Original
DATE: February 22, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$361,500 to Unknown)	(\$445,500 to Unknown)	(\$795,500 to Unknown)
State School Moneys Fund	More than \$100,000	More than \$100,000	More than \$100,000
Total Estimated Net Effect on <u>All</u> State Funds	(\$361,500 to Unknown)	(\$445,500 to Unknown)	(\$795,500 to Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** indicated the proposed legislation would allow a school superintendent to request the circuit court to subpoena the parent of a pupil if the parent has failed to appear at least two times to discuss problems with the student. In FY 1999, there were 3,229 allegations of status offenses by juveniles, but CTS has no way of knowing how many of these were for truancy or other actions that may have involved the schools. It is possible that, in some circuits, this subpoena may be sought a number of times, but CTS cannot estimate how often. CTS does not think the increase in the workload of the courts will be substantial.

Officials from the **Office of the Attorney General (AGO)** assume the proposed legislation could have a significant fiscal impact depending on the number of school districts that would request the AGO to advise them on school personnel matters and to appear on behalf of the school board in cases regarding termination of school employees. The resulting fiscal impact to the AGO is therefore unknown.

Officials from the **Department of Elementary and Secondary Education (DES)** indicated the proposed legislation revises school operations in the following manner: (1)directs the AG's office to advise school boards or superintendents, upon request, on personnel matters, and to appear on behalf on school boards, upon request, in cases regarding terminations; (2)directs school boards to adopt a written policy on academic dishonesty; (3)reduces a district's state aid by 10% contingent on NTE test-taking by teachers and net scores on such exams; (4)reimburses teacher costs associated with applying for the National Board of Professional Teaching Standards Certification; (5)adopts a pay scale that provides 20% of teachers shall receive at least 10% more than the standard pay for a teacher; (6)directs the State Board of Education to establish standards for weighted grades; (7)provides for adoption of dress codes; and (8)provides for the subpoena of a parent to a meeting with the superintendent regarding the academic progress of the pupil.

DES assumes there is a potential savings to the State Schools Moneys Fund with the provision requiring a 10% reduction in state aid if the required number of teachers required to take the NTE did not score at or above the fiftieth percentile. This would be a net loss to the affected districts. The amount of this potential savings is not known, but is expected to be in excess of \$100,000.

ASSUMPTION (continued)

DES assumes:

- a) Average teacher salary is \$35,000; therefore, the impact per teacher per district would be \$3,500 (10%).
- b) There will be 100 applicants per year to the NBPTS process. State cost per application will be \$2,300. Substitute costs for NBPTS applicants averages \$300 per teacher;
- c) 61,000 teachers in Missouri. Twenty percent (20%) of 61,000 = 12,200 eligible to receive the higher amount.
- d) All the identified costs are assumed to be paid by the state through the General Revenue Fund.

Regarding the 10% salary bonus for NBPTS teachers:

FY 2001 29 NBPTS teachers X \$3,500 = \$101,500
FY 2002 53 NBPTS teachers X \$3,500 = \$185,500
FY 2003 153 NBPTS teachers X \$3,500 = \$535,500

Regarding the payments to cover costs for new applications and substitute teaching costs for NBPTS:

FY 2001 100 applicants X \$2,300 = \$230,000; 100 applicants X \$300 for substitutes = \$30,000;

Total per year is \$260,000;

FY 2002 \$260,000
FY 2003 \$260,000

Regarding the 10% pay increase for 20% of the teachers in districts around the state:

FY 2001 12,200 teachers (20% of teachers) X \$3,500 = \$42,700,000
FY 2002 12,566 teachers (20% of teachers) X \$3,500 = \$43,981,000
FY 2003 12,942 teachers (20% of teachers) X \$3,500 = \$45,297,000

Totals:	NBPTS Bonus	New Applic + Substitute Cost	10% Pay Increase for 20% of Teachers	Total
FY 2001	\$101,500	\$260,000	\$42,700,000	\$43,061,500
FY 2002	\$185,500	\$260,000	\$43,981,000	\$44,426,500
FY 2003	\$535,500	\$260,000	\$45,297,000	\$46,092,500

The **Oversight Division** assumes the intent of the proposal is not to give pay raises to 20% of all teachers. "Standard pay" would vary among school districts. Therefore, Oversight has included an unknown cost in the fiscal impact section for teacher pay increases.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Department of Elementary and Secondary Education

<u>Cost -NBPTS Bonus</u>	(\$101,500)	(\$185,500)	(\$535,500)
NBPTS Application Cost	(\$260,000)	(\$260,000)	(\$260,000)
10% Pay Increase for 20% of Teachers	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Total Cost for DES	(\$361,500 to Unknown)	(\$445,500 to Unknown)	(\$795,500 to Unknown)

Office of the Attorney General

<u>Cost - Advice to and appearance on behalf of local school districts</u>	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$361,500 to UNKNOWN)</u>	<u>(\$445,500 to UNKNOWN)</u>	<u>(\$795,500 to UNKNOWN)</u>
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STATE SCHOOL MONEYS FUND

<u>Cost Savings - 10% reduction in state aid</u>	<u>More than \$100,000</u>	<u>More than \$100,000</u>	<u>More than \$100,000</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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School Districts - 10% loss of state aid	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

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The proposed legislation includes a number of provisions related to public schools.

LEGAL SUPPORT - The Attorney General shall advise school boards or superintendents, upon request, on personnel matters and shall appear on behalf of school boards, upon request, in cases regarding termination of employees.

CHEATING - School boards shall adopt a written policy on academic dishonesty. School staff who are found to have facilitated cheating or given answers for the Missouri Assessment Program (MAP) tests may be terminated for cause.

TEACHERS - A district's state aid shall be reduced by 10% if the fraction of full-time teachers in the district who were required to take the National Teacher's Examination (NTE) and who scored at or above the 50th percentile on the test is less than 25%.

Teachers shall be reimbursed for the costs of application fees and substitute teaching costs incurred in obtaining National Board of Professional Teaching Standards Certification.

The proposal establishes a program of interdistrict teacher transfers.

Teacher evaluations shall be done by experienced teachers.

Administrators may evaluate teachers for criteria other than teaching skill and expertise.

School boards shall adopt pay scales for teachers which provide that at least 20% of teachers shall receive at least 10% more than standard pay for a teacher.

WEIGHTED GRADES - The State Board of Education shall establish standards for weighted grades based upon academic content for high school grades.

DRESS CODES - School boards may adopt mandatory dress codes.

SUBPOENA FOR PARENT MEETING - A superintendent may seek a court-issued subpoena to compel a parent or guardian of a pupil to attend a meeting with the superintendent regarding the academic progress of the pupil.

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

Office of State Courts Administrator

KAF:LR:OD:005 (9-94)

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Office of the Attorney General
Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
February 22, 2000