

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3792-01
BILL NO.: SB 911
SUBJECT: Education, Elementary and Secondary: Educators' Standards
TYPE: Original
DATE: February 16, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Professional Educators' Standards and Practices Board	\$0	\$0	\$0
General Revenue	(\$800,514)	\$629,852	\$651,448
State School Moneys	\$30,000	\$30,900	\$31,827
Excellence in Education	\$33,502	\$34,507	\$35,542
Total Estimated Net Effect on <u>All</u> State Funds	(\$737,012)	\$695,259	\$718,817
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal	\$127,748	\$131,581	\$135,528
Total Estimated Net Effect on <u>All</u> Federal Funds	\$127,748	\$131,581	\$135,528
ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 10 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services, Department of Health, Office of State Courts Administrator, State Treasurer's Office and Office of Administration - Administrative Hearing Commission** assume the proposal would result in no fiscal impact to the agencies.

Officials from the **Department of Revenue (DOR)** assume the proposal would result in little or no administrative impact to the DOR.

Officials from the **Coordinating Board For Higher Education (CBHE)** assume the Board would be housed under the CBHE but would be independent and self-supporting through the various fees mandated by the bill. CBHE officials assume they would not be responsible for Board expenses or other overhead.

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Professional Educators' Standards and Practices Board could require as many as approximately 24 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$22.50. The estimated cost of a page in the Code of State Regulations is \$26.50. The actual costs could be more or less the SOS's estimated cost of \$1,446 for FY 2001. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn. **Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** state the purposes and function of the teacher certification section in DESE, as well as related functions and services would be transferred to the newly created Professional Educators' Standards and Practices Board, under the umbrella of the Coordinating Board for Higher Education. These sections within the department carrying out these duties include the following:

[A] Teacher certifications. This section evaluates, audits and enforces statutory regulations governing the admission and continued maintenance of professional educators licensure.

Activities include:

ASSUMPTION (continued)

(1) issuance of approximately 38,000 certificates (annually -- initial certification 5,500 per year, out-of-state applications 4,500 per year, renewal requests 8,000 per year, substitute certification 20,000 per year);

(2) technical assistance to individuals, district personnel, teacher preparation institutions and others (annual average number of phone contacts per day is 550; evaluations of various types, e.g., transcript analyses, school district requests, etc. 60,000 per year);

(3) maintenance of certification records (data-base has approximately 250,000 records);

(4) provide staff resources and support with Missouri Advisory Council of Certification for Educators(MACCE) (5 meetings per year);

[B] Teacher education program approval. This section audits and enforces regulations regarding standards and quality of teacher preparation programs in universities and colleges. These include the following activities:

(1) site visits for teacher education program review and evaluation purposes (10 per year average, note: evaluation team training also must occur);

(2) review of proposals of new teacher education programs (30 - 40 per year);

(3) review of proposed modifications to established programs (30 - 40 per year);

(4) Missouri Standards for Teacher Education Programs Work Group meetings (1-2 per year);

(5) Education conferences and meetings (with deans and teacher education department chairs, MACCE, national meetings (11-12 per year)

(6) Teacher candidate related test result validation, compilation, reporting and technical assistance to individuals (C-base exam, Praxis exams);

(7) Analysis and evaluation of where programs are in meeting MOSTEP standards (base-line report, follow-up analysis);

(8) Implementation of licensure requirement changes resulting from statutory changes;

(9) Technical assistance with colleges and universities;

(10) Other reporting (e.g, Teacher education program profiles report; Annual report on quality of teacher preparation programs (federal requirement));

[C] Adult and vocational education program certification addresses certification of teachers for vocational programs in agriculture, business, marketing, trade and industrial sciences and health sciences, and family and consumer sciences. Approximately 1,000 to 1,200 renewals, inquiries and certification applications are processed by this division. Work experience as well as coursework is considered in analyzing these renewals, inquiries and applications.

ASSUMPTION (continued)

[D] Professional conduct and investigation section. This section investigates Missouri teaching certificate holders who are accused, charged or convicted of criminal or unethical behavior. Section activities include the following: process background checks (26,000); process fingerprints (2,800); case referrals to the Attorney General's office (83); hearings (29); automatic revocation of licenses to teach (25); DFS background checks (6,500); out-of-state license verifications (150).

(E) Leadership academy coordinates administrator assessments which deals with licensure of administrators. Most of the testing is done by Educational Testing Services (ETS). Activities include building level assessments, e.g., principals (500-600 per year) and superintendent level assessments (60-80 per year).

FY 2001 Estimated Potential Savings (PS & EE):

	<u>Teacher</u> <u>Certific.</u>	<u>Prof. Conduct</u> <u>& Investig</u>	<u>Teacher Education</u> <u>Program Review</u>	<u>Administrator</u> <u>Assessment</u>	<u>Vocational</u> <u>Certification</u>	<u>Totals</u>
GR	\$360,541	\$190,564	\$ 91,382	\$10,000	\$ 66,593	\$719,080
Fed	\$ 5,200	\$ 4,892	\$ 88,770	--	\$ 28,886	\$127,748
Other	<u>\$ 30,000</u>	<u>\$ 33,502</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>\$ 63,502</u>
Totals:	\$395,741	\$228,958	\$180,152	\$10,000	\$95,479	\$910,330

Assumption 1: 3% inflation factor was assumed in estimated savings for FY 2002 and FY 2003.

Assumption 2: It is assumed CBHE staffing requirements would reflect largely these amounts.

Potential Costs to DESE:

The teacher certification section collects approximately \$90,000 per year in fees from out-of-state applicants paying \$25 for a license to teach. Currently, this money is deposited into the General Revenue Fund. These fees would no longer be collected.

ASSUMPTION (continued)

DESE officials assume there would be an information technology (IT) impact associated with moving the teacher certification data-base to a new system. Estimated costs to CBHE would depend on how they implement the system. If CBHE would purchase state standard hardware and software to run the new system, then DESE could move the database over with minimal impact to DESE.

The current legacy system could not run in any other agency without changes. The legacy hardware and software are not available.

If DESE were to interface with other systems, it would require \$116,800 to develop the interfaces (plus 8% project development fee of \$9,344 to the Office of Information Technology).

If CBHE were to charge DESE for access to the teacher certification database then there could be significant costs to DESE for this as well. The specific impact would depend on CBHE-DESE arrangements. **Oversight** has assumed DESE and CBHE could enter into a Memorandum of Understanding to share data at no charge.

Potential Costs to CBHE:

While the costs of this proposal are to be entirely supported by fees, DESE officials believe CBHE would require substantial front-end moneys to get to the point where they could support the program, determine a fee structure, and begin to receive revenues. These front-end moneys are expected to be in excess of several million dollars; however, CBHE would likely respond in more detail in their fiscal note. **Oversight** assumes the only costs CBHE would incur in addition to the current costs DESE incurs would be for programming, which are explained in subsequent assumptions by DESE and reflected in the fiscal impact.

DESE assumes there would be an IT impact associated with moving the teacher certification data-base to a new system. Estimated costs to CBHE would depend on how they implement the system. If the existing system would be moved over and processes would not be significantly changed, DESE officials believe CBHE's cost of recoding portions of DESE's software to run on CBHE's existing technology would be approximately \$364,000 (plus 8% project development fee of \$29,120 to the Office of Information Technology). However, that is only the recoding portion.

The **Oversight Division** assumes the fees would not cover the costs in the Professional Educators' Standards and Practices Board Fund until FY 2002.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
PROFESSIONAL EDUCATORS' STANDARDS AND PRACTICES BOARD FUND			
<u>Income-Department of Revenue</u>			
Fees	\$0	\$937,640	\$965,770
<u>Income-Coordinating Board For Higher Education (CBHE)</u>			
Appropriation from General Revenue	\$1,303,450		
<u>Cost-Coordinating Board For Higher Education (CBHE)</u>			
Recoding	(\$393,120)	\$0	\$0
Teacher Certification	(\$395,741)	(\$407,613)	(\$419,842)
Professional Conduct and Investigation	(\$228,958)	(\$235,827)	(\$242,902)
Teacher Education Program Review	(\$180,152)	(\$185,557)	(\$191,123)
Administrator Assessment	(\$10,000)	(\$10,300)	(\$10,609)
Vocational Certification	<u>(\$95,479)</u>	<u>(\$98,343)</u>	<u>(\$101,294)</u>
	(\$1,303,450)	(\$937,640)	(\$965,770)
ESTIMATED NET EFFECT ON PROFESSIONAL EDUCATORS' STANDARDS AND PRACTICES BOARD FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

GENERAL REVENUE FUND

<u>Savings-Department of Elementary and Secondary Education (DESE)</u>			
Teacher Certification	\$360,541	\$371,357	\$382,498
Professional Conduct and Investigation	\$190,564	\$196,281	\$202,169
Teacher Education Program Review	\$91,382	\$94,123	\$96,947
Administrator Assessment	\$10,000	\$10,300	\$10,609
Vocational Certification	<u>\$66,593</u>	<u>\$68,591</u>	<u>\$70,649</u>
Total <u>Savings-DESE</u>	\$719,080	\$740,652	\$762,872

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
Interfacing	(\$126,144)	(\$20,800)	(\$21,424)
<u>Cost-General Revenue</u>			
Appropriation to Professional Educators' Standards and Practices Board	(\$1,303,450)	\$0	\$0
<u>Loss-Department of Elementary and Secondary Education (DESE)</u>			
Fees from Out-of-State Applicants	(\$90,000)	(\$90,000)	(\$90,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$800,514)</u>	<u>\$629,852</u>	<u>\$651,448</u>
FEDERAL FUNDS			
<u>Savings - Department of Elementary and Secondary Education (DESE)</u>			
Teacher Certification	\$5,200	\$5,356	\$5,517
Professional Conduct and Investigation	\$4,892	\$5,039	\$5,190
Teacher Education Program Review	\$88,770	\$91,433	\$94,176
Vocational Certification	\$28,886	\$29,753	\$30,645
Total <u>Savings-DESE</u>	<u>\$127,748</u>	<u>\$131,581</u>	<u>\$135,528</u>
STATE SCHOOL MONEYS FUND			
<u>Savings-Department of Elementary and Secondary Education (DESE)</u>			
Teacher Certification	<u>\$30,000</u>	<u>\$30,900</u>	<u>\$31,827</u>
EXCELLENCE IN EDUCATION FUND			
<u>Savings-Department of Elementary and Secondary Education (DESE)</u>			
Professional Conduct and Investigation	<u>\$33,502</u>	<u>\$34,507</u>	<u>\$35,542</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - Small Business</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

DESCRIPTION

The proposal would create the Professional Educators' Standards and Practices Board (board), consisting of nine teachers, three faculty or administration members, three administrators, one member of a local board of education, one representative of the public, the Commissioner of Education and the Commissioner of the Department of Higher Education.

All members would serve without compensation but would be reimbursed for actual and necessary expenses. A board member who is not an employee of the state or a political subdivision who loses income or benefits as a result of board business would be reimbursed from the state treasury for the actual amount of income or benefits lost, up to a maximum of \$50 per day.

A state agency or political subdivision required to employ a substitute for a board member would be reimbursed from the state treasury for the actual amount of costs incurred.

The board would employ an executive director, who could employ additional professional and clerical personnel as necessary.

The board would hold regular meetings, at least once per month, in no fewer than ten months per year. The board's headquarters would be in Jefferson City. Meetings would be held primarily in Jefferson City but could be held at any place in the state.

The Missouri Advisory Council of Certification for Educators (Advisory Council) within DESE would be removed from current law.

Responsibility for certificates of license to teach would change from the State Board of Education to the Professional Educators' Standards and Practices Board.

DESCRIPTION (Continued)

Each application for the issuance of a teaching license would be accompanied by a fee in an amount to be fixed by the Board. The fee would be nonrefundable for applicants who do not qualify for a license. If the applicant would be found eligible for a license, the board would issue the license without additional charge.

If the Board would initiate a disciplinary action against a professional educator, the Board would file a complaint with the Administrative Hearing Commission. Under current law, complaints are filed with State Board of Education and appealed to the circuit court.

The Professional Educators' Standards and Practices Board, as opposed to the State Board of Education, would approve teacher preparation programs. The Board evaluate all teacher training institutions. Each application would be accompanied by a fee in an amount to be fixed by the Board.

The Board would be the successor to the State Board of Education in matters relating to the issuance of certificates of license to teach. The State Board of Education would continue to serve until the effective date of the proposal. All rules, regulations, procedures and practices in effect under the former provisions of law relating to teacher licenses would be in effect until 60 days after the effective date of the proposal.

The CBHE would provide all personnel, assets, liabilities, contracts, property and records necessary to carry out the functions assigned to the Board.

All fees collected would be set at a level to produce revenue which would not substantially exceed the cost and expense of administering the proposal. The fees would collected by the Board and transmitted to the Department of Revenue to the Professional Educators' Standards and Practices Board Fund. All board expenses would be paid from the fund by appropriations. The legislature could transfer money from the General Revenue Fund to the Professional Educators' Standards and Practices Board Fund.

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

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

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Coordinating Board For Higher Education
Department of Social Services
Office of State Courts Administrator
Secretary of State's Office
Department of Health
Office of Administration - Administrative Hearing Commission
Department of Revenue
State Treasurer's Office

NOT RESPONDING: Department of Corrections

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 16, 2000