

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2651-01  
Bill No.: SB 667  
Subject: Education, Elementary and Secondary; Teachers  
Type: Original  
Date: April 2, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$1,017,375)	(\$6,171,608)	(\$8,082,648)
<b>Total Estimated Net Effect on <u>All</u> State Funds*</b>	<b>(\$1,017,375)</b>	<b>(\$6,171,608)</b>	<b>(\$8,082,648)</b>

\*Subject to appropriation

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>School Districts</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Joint Committee on Public Employee Retirement** stated that the proposed legislation would not affect retirement plan benefits as defined in Section 105.660(5).

Officials from the **Public School and Non-Teacher School Employee Retirement Systems of Missouri** stated that the proposal would not fiscally impact either retirement plan.

Officials from the **Public School Retirement System of St Louis (PSRSSTL)** assume that the rigorous standards required for National Board Teacher Certification would result in very few teachers achieving the certification, therefore the effect of the proposed legislation on PSRSSTL would be insignificant and not measurable at this time.

Officials from the **Public School Retirement System of Kansas City** indicated that this proposal would not have any significant fiscal impact of their retirement system.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education and the three teacher retirement systems in Missouri could require as many as 12 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 \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$738 for FY 2003. 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

Officials from the **Department of Elementary and Secondary Education (DESE)** stated that at the present time, there are 75 National Board Certified teachers in Missouri. National Board certificates are valid for 10 years. According to the 1999-2000 Report of the Public Schools of Missouri, the average annual teachers' salaries for all districts equaled \$35,656. DESE assumes annual salary increases of 2.5% for inflation. In addition, DESE assumes all certificated teachers will partake in the mentoring program. DESE further assumes all districts with certificated teachers will participate in the career ladder program and will place such certificated teachers at the third-stage of the career plan. The increases in participation from year to year are based on

ASSUMPTION (continued)

increases that occurred in a nearby state which implemented a similar proposal. Based on these assumptions, costs for FY 2003, 2004, and 2005 are calculated as follows:

**FY 2003**

75 teachers	X	\$5,000 (NBPTS certification)	=	\$ 375,000
75 teachers	X	\$3,565 (Mentoring supplement)	=	\$ 267,375
75 teachers	X	\$5,000 (Career ladder: third-stage placement)	=	<u>\$ 375,000</u>
				\$1,017,375

**FY 2004**

452 teachers	X	\$5,000 (NBPTS certification)	=	\$2,260,000
452 teachers	X	\$3,565 (Mentoring supplement)	=	\$1,651,608
452 teachers	X	\$5,000 (Career ladder: third-stage placement)	=	<u>\$2,260,000</u>
				\$6,171,608

**FY 2005**

588 teachers	X	\$5,000 (NBPTS certification)	=	\$2,940,000
588 teachers	X	\$3,565 (Mentoring supplement)	=	\$2,202,648
588 teachers	X	\$5,000 (Career ladder: third-stage placement)	=	<u>\$2,940,000</u>
				\$8,082,648

DESE assumes it will not be required annually to make the studies and lists of such teacher performance assessment instruments publicly available, and distribute them to school districts. Should this become an annual requirement, the department would require an additional Supervisor FTE and incur an additional \$75,000 per year in costs.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Department of Elementary and Secondary Education			
Board Certification and Mentoring			
Teacher Incentive Bonuses	(\$1,017,375)	(\$6,171,608)	(\$8,082,648)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*</b>	<b><u>(\$1,017,375)</u></b>	<b><u>(\$6,171,608)</u></b>	<b><u>(\$8,082,648)</u></b>
<b>*Subject to Appropriation</b>			

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>SCHOOL DISTRICTS</b>			
<u>Income</u> - State Aid	\$1,017,375	\$6,171,608	\$8,082,648
<u>Cost</u> - Teacher Bonuses	(\$1,017,375)	(\$6,161,608)	(\$8,082,648)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>\$0</u></b>	<b><u>\$0</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.

DESCRIPTION

This proposed legislation provides that the State Board of Education shall establish a program of salary supplements for teachers receiving certification from the National Board for Professional Teaching Standards. An annual salary stipend of \$5000 will be given for a period of ten years, starting in the school year in which the teacher receives certification.

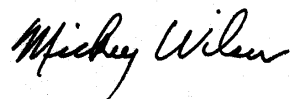
The salary supplement shall be in addition to the base salary to which the teacher would otherwise be entitled. The salary supplements shall be paid only during those school years in which the teacher is employed with a Missouri school district.

A teacher certified by the National Board for Professional Teaching Standards may also receive a payment of 10% of the teacher's base pay for any school year in which the teacher serves as a mentor teacher to other candidates for National Board certification in a program established by the school district and meeting standards established by the State Board of 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  
Joint Committee on Public Employee Retirement  
Public School Retirement System of Missouri  
Non-Teacher School Employee Retirement Systems of Missouri  
Public School Retirement System of Saint Louis  
Kansas City Public School Retirement System  
Office of Secretary of State  
Administrative Rules Division



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