

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2745-01  
Bill No.: SB 811  
Subject: Teachers; Education, Elementary and Secondary; Contracts and Contractors;  
 Salaries  
Type: Original  
Date: February 4, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<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 2002	FY 2003	FY 2004
<b>School Districts</b>	<b>(\$901,323)</b>	<b>(\$981,540)</b>	<b>(\$1,068,897)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Lottery Commission, Office of State Courts Administrator, Public School Retirement System** and **Non-Teacher School Employee Retirement System** assume the proposal would result in no fiscal impact to the agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume they could incur additional costs through a likely but *indirect* result of the bill. The bill would make salaries paid to state operated school teachers less competitive than salaries for those in public school districts. The state operated schools would likely need to increase salaries to retain qualified staff. The amount needed to fund this increase is not known.

To estimate the impact across districts statewide, DESE data showing number of teachers newly transferred into a district and an estimated projected salary difference was combined with information from the Missouri State Teachers' Association pertaining to districts offering credit.

FY 02 impact statewide is estimated to be \$765,845

FY 03 impact statewide is estimated to be \$834,005

FY 04 impact statewide is estimated to be \$908,231

The **Oversight Division** calculated fringe benefits at 17.69% to include retirement, FICA, unemployment and worker's compensation on the salary increases.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>SCHOOL DISTRICTS</b>			
<u>Cost - School Districts</u>			
Personal Service	(\$765,845)	(\$834,005)	(\$908,231)
Fringe Benefits	<u>(\$135,478)</u>	<u>(\$147,535)</u>	<u>(\$160,666)</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>(\$901,323)</u></b>	<b><u>(\$981,540)</u></b>	<b><u>(\$1,068,897)</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

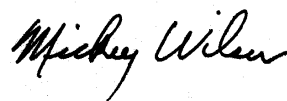
This proposed legislation requires that a minimum level of salary schedule credit be offered to public school teachers who change employment from one Missouri school district to another as specified in the proposal. Beginning with the 2002-2003 school year, teachers who have been employed for one year or more shall be offered credit for each year of service up to five years, with annual increases thereafter through the 2007-2008 school year. School districts may offer credit in excess of the schedule.

The proposal also specifies that in the event the courts declare that Section 16 of Article X of the Missouri Constitution applies to any provision of Section 168.090, RSMo (Section 168.095), moneys necessary to fund this section shall be appropriated from the state lottery 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  
State Lottery Commission  
Office of State Courts Administrator  
Public School Retirement System  
Non-Teacher School Employee Retirement System



Mickey Wilson, CPA  
Acting Director  
February 4, 2001