

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1187-03
Bill No.: HCS No. 2 for HB 462
Subject: Education, Elementary and Secondary; Tax Credits; Teachers
Type: Original
Date: March 6, 2019

Bill Summary: This proposal creates certified teacher externships.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue			

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§168.025 Externships

Officials at the **Department of Revenue** and the **Department of Elementary and Secondary Education** each assume there is no fiscal impact from this proposal.

Officials at the **Department of Economic Development (DED)** assume this legislation will require DED to hire 1 Economic Development Incentive Specialist III (\$51,108) to implement the program, to work toward creating the required definitions under 168.025 and to help DOR in administering the program from the DED side.

Oversight assumes DED could absorb these duties with existing staff.

Oversight notes this proposal allows DED and DESE to create rules for the program regarding requirements for teacher externships to be considered equivalent to credit hours of graduate-level courses for salary schedules. Section 163.172 outlines the minimum starting salary for a teacher of \$25,000 and for teachers with masters degrees the minimum is \$33,000. Should DED and DESE determine that externships be allowed to be substituted for graduate-level courses, it is possible that teachers may move up their district's salary schedule quicker. Oversight does not know what program parameters DED and DESE will develop, but will show this could have a \$0 (no change to salary schedules) to Unknown impact on the school districts for increased teacher salaries.

Officials at the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond current appropriations.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Office of the Secretary of State (SOS)** assume 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 the core budget. Therefore, the SOS reserves the right to request funding

ASSUMPTION (continued)

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.

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 require additional resources.

In response to the previous version, 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 previous version, 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 previous version, 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 the previous version, officials at the **Wellsville-Middletown R-1 School District** do not have teachers that participate in externships.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
SCHOOL DISTRICT FUNDS			
<u>Cost</u> - Potential salary adjustments from credit earned on externships	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>

FISCAL IMPACT - Small Business

Small businesses that participate in the program could be impacted.

FISCAL DESCRIPTION

This proposal creates externships.

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

Belleview R-III School District
Columbia Public Schools
Department of Economic Development
Department of Elementary and Secondary Education
Department of Revenue
Joint Committee on Administrative Rules
Office of Administration Division of Budget and Planning
Office of the Secretary of State
Raymore-Peculiar School District
Wellsville-Middletown R-I School District



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March 6, 2019

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March 6, 2019