

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1415H.02C
 Bill No.: HCS for HB 1133
 Subject: Teachers; Education, Elementary and Secondary; Elementary and Secondary
 Education, Department of
 Type: Original
 Date: March 16, 2021

Bill Summary: This proposal changes provisions relating to teacher career plans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	\$0 to (Could exceed \$18,733,050)	\$0 to (Could exceed \$18,733,050)	\$0 to (Could exceed \$18,733,050)
Total Estimated Net Effect on General Revenue	\$0 to (Could exceed \$18,733,050)	\$0 to (Could exceed \$18,733,050)	\$0 to (Could exceed \$18,733,050)

*Officials from DESE state, in FY 2011, \$37,467,000 was appropriated for Career Ladder. That was the last time the program was funded. Therefore, Oversight will range the fiscal impact from \$0 (even with the changes in the bill, the program still is not funded), to the change in raising the state percentage from 40% to 60% (based on FY 2011 amounts). Oversight also assumes other changes could result in an increase in eligible teacher compensation, if appropriated (therefore, “could exceed”).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Excellence in Education Revolving Fund*	\$0	\$0	\$0
Career Ladder Forward Funding Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Transfers in and Transfers out net to \$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE			

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050

FISCAL ANALYSIS

ASSUMPTION

Section 168.500

Officials from **Department of Elementary and Secondary Education (DESE)** state, due to the need to approve Teacher Career Plans in the proposed language, DESE estimates a need for a 1.0 FTE at the Supervisor level to manage the program.

Oversight notes the need to approve Teacher Career Plans is language that exists in current law and is not a new requirement of this proposal. Therefore, Oversight will not show the cost for one additional FTE.

Section 168.515.2

Officials from **DESE** state, in Fiscal Year 2011, \$37,467,000 was appropriated by the General Assembly for Career Ladder. That was the last time that the program was funded and DESE will base the fiscal impact on that amount. Because the language in this section reverses the matching percentages and sets the state match at 60 percent and the local funding at 40 percent, the department estimates an impact of up to \$56,200,050. Because this amount is subject to appropriation the Department will show a range of \$0 - \$56,200,050 (plus FTE costs).

Oversight assumes current law already provides for funding at forty percent; however, this funding is not currently appropriated by the General Assembly. Oversight assumes the impact from this proposal is the difference between funding the Career Ladder program at forty percent (current law) versus funding at sixty percent (proposed law). Oversight will show a cost of \$0 (not appropriated) to a cost that could exceed \$18,733,050 (\$56,200,050 - \$37,467,000) as appropriated by the General Assembly.

In addition, **Oversight** assumes this proposal expands the career ladder criteria for admission and stage achievement and reduces the number of years needed for eligibility. Oversight assumes this provision could result in an increase in eligible teacher compensation if appropriated.

Oversight assumes these funds would transfer from General Revenue to the Excellence in Education Revolving Fund into the Career Ladder Forward Funding Fund before being distributed to qualify school districts. For simplicity, Oversight assumes all funds are utilized in the year they are received.

Oversight did not receive any responses from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

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Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Costs</u> – DESE - expansion of career ladder criteria for admission and stage achievement	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - increased funding for Career Ladders program from forty percent to sixty percent	\$0 to (Could exceed <u>\$18,733,050</u>)	\$0 to (Could exceed <u>\$18,733,050</u>)	\$0 to (Could exceed <u>\$18,733,050</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 to (Unknown, Could exceed <u>\$18,733,050</u>)	\$0 to (Unknown, Could exceed <u>\$18,733,050</u>)	\$0 to (Unknown, Could exceed <u>\$18,733,050</u>)
EXCELLENCE IN EDUCATION REVOLVING FUND			
<u>Transfer In</u> - from General Revenue - for expansion of career ladder eligibility criteria	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - from General Revenue - increased funding for Career Ladders program at sixty percent	\$0 to Could exceed <u>\$18,733,050</u>	\$0 to Could exceed <u>\$18,733,050</u>	\$0 to Could exceed <u>\$18,733,050</u>
<u>Transfer Out</u> - to the Career Ladder Forward Funding Fund - increased funding for Career Ladders program from forty percent to sixty percent	\$0 to (Unknown, Could exceed <u>\$18,733,050</u>)	\$0 to (Unknown, Could exceed <u>\$18,733,050</u>)	\$0 to (Unknown, Could exceed <u>\$18,733,050</u>)
ESTIMATED NET EFFECT ON THE EXCELLENCE IN EDUCATION REVOLVING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT – State Government (continued)</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
CAREER LADDER FORWARD FUNDING FUND			

<u>Transfer In</u> - from Revolving Fund - for expansion of career ladder eligibility criteria	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - from Revolving Fund - increased funding for Career Ladders program at sixty percent	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050
<u>Transfer Out</u> - to School Districts - increased funding for Career Ladders program from forty percent to sixty percent	\$0 to (Unknown, Could exceed \$18,733,050)	\$0 to (Unknown, Could exceed \$18,733,050)	\$0 to (Unknown, Could exceed \$18,733,050)
ESTIMATED NET EFFECT ON THE CAREER LADDER FORWARD FUNDING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
SCHOOL DISTRICTS			
<u>Revenue Gain</u> - for expansion of career ladder eligibility criteria	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> - increased funding for Career Ladders program from forty percent to sixty percent	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0 to Could exceed \$18,733,050</u>	<u>\$0 to Could exceed \$18,733,050</u>	<u>\$0 to Could exceed \$18,733,050</u>

FISCAL IMPACT – Small Business

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

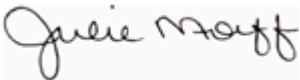
FISCAL DESCRIPTION

This bill expands on the criteria for career ladder admission and stage achievement. Additional responsibilities and volunteer efforts outside of compensated hours may include uncompensated coaching, supervising, and organizing extracurricular activities, serving as a mentor or tutor to students, additional teacher training or certification, or assisting students with college preparation. The bill increases the state percentage of funding for salary supplements for career ladder from 40% to 60%.

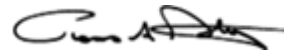
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



Julie Morff
Director
March 16, 2021



Ross Strobe
Assistant Director
March 16, 2021