

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5212-01
Bill No.: HB 1830
Subject: Teachers; Elementary and Secondary Education
Type: Original
Date: February 12, 2018

Bill Summary: This proposal changes provisions relating to teacher salaries.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Total Estimated Net Effect on FTE	0	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 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Local Government	\$0	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal will result in no cost to the department.

Officials from the **Osage R-2 School District** assume this proposal would have a significant impact on the district. The first year impact would be \$200,000. The second year impact would be an additional \$125,000 and the third year impact would be an additional \$200,000. This proposal not only effects certified staff but also non-certified staff as their salary schedule is tied to the base salary of the teacher schedule.

Officials from the **Wellsville-Middletown R-1 School District** note that unless the proposal is attached to mandatory increases in school funding it has the potential to have a negative fiscal impact on the district.

Officials from the **Summersville R2 School District** assume a negative fiscal impact on the district.

Officials from the **Macon County R-IV School District** assume, if a historical 3% annual raise holds true through school year 21-22 this will have no negative effect on expenditures. The current base salary is \$28,700. With 3% annual increases that figure would be \$32,300 in 21-22, just over the requirement.

Officials from the **West Plains School District** assume this would result in an increase in costs related to teacher salaries and benefits. The estimated annual increase, based on current certified personnel, is \$800,000.

Officials from the **Osborn R-O School District** assume, based on the salary schedule, this would impact the district by increasing salaries by \$68,000 per year.

Officials from the **Kirkville R-III School District** assume this would have no impact on the district.

Oversight notes the average teacher salary in Missouri in 2017 was \$48,619 with teachers having an average of 12.3 years of experience and 58.6% of those teachers having a masters degree or higher. Oversight assumes this proposal increases teachers' salaries on a sliding scale over three years as outlined in the Table I.

ASSUMPTION (continued)

Table I

Year	Minimum Base Salary	Masters + 10 Minimum Salary
Current	\$25,000	\$33,000
FY 2020	\$28,000	\$36,000
FY 2021	\$30,000	\$38,000
FY 2022	\$32,000	\$40,000

Oversight assumes this would increase costs for districts which currently pay teachers below the minimums established in this proposal. Oversight does not have the salary data necessary to estimate the fiscal impact to schools. Oversight will show a fiscal impact of an unknown cost to school districts.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Eldon R-I, Everton R-III, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kansas City Public Schools, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lincoln R-II, Lindbergh, Lonedell R-14, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Parkway, Pattonville, Pettis County R-12, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Richards R-V, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Shell Knob #78, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Waynesville, Webster Groves, Wentzville, Westview C-6 and the Wright City R-2 school districts did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2022)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2022)
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**LOCAL SCHOOL
DISTRICTS**

<u>Cost - School Districts increased salaries</u>	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, the minimum teacher's salary is \$25,000. Beginning in school year 2019-20 this bill increases the minimum teacher's salary to \$28,000; \$30,000 in school year 2020-21; and \$32,000 thereafter.

Currently, the minimum salary for a teacher with a master's degree and at least 10 years' experience is \$33,000; beginning in the school year 2019-20 this bill increases the minimum salary to \$36,000; \$38,000 in school year 2020-21; and \$40,000 in school year 2021-22.

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
Osage R-2 School District
Wellsville-Middletown R-1 School District
Summersville R2 School District
Macon County R-IV School District
Osborn R-O School District
West Plains School District
Kirksville R-III School District

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director
February 12, 2018