

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4910H.01I
Bill No.: HB 2304
Subject: Teachers; Education, Elementary and Secondary; Department of Elementary and Secondary Education
Type: Original
Date: January 19, 2022

Bill Summary: This proposal establishes qualifications for substitute teachers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$158,105)	(\$59,366)	(\$59,957)
Total Estimated Net Effect on General Revenue	(\$158,105)	(\$59,366)	(\$59,957)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Criminal Record System Fund (0671)	Up to (\$165,000)	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Up to (\$165,000)	\$0 or Unknown	\$0 or Unknown

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 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 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** state:

Section 168.036.5

This section allows the State Board of Education to grant a certificate to any highly qualified individual with certain expertise or experience in the Armed Forces, explained further in the bill, that may not meet any other qualifications if the school board of the seeking school district votes to approve that individual to substitute teach at that district. Doing so would require a new application and process for districts to recommend these individuals at which the department estimates a cost of \$40,000.

Section 168.036.7

Currently, substitute certificates expire at the end of four years and may be renewed. The new language in this subsection would allow substitute certificates to expire at any point in time and will have a substantial fiscal impact to the department. The substitute certification process will need to be redesigned to comply with this language as well as a new reporting database will need to be created for districts to notify the department on substitute statuses. DESE estimates this will cost around \$60,000. The department also estimates one additional FTE for an Administrative Assistant \$27,960 annual salary, will be needed as well.

Oversight will show the costs as estimated by DESE.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state the proposed legislation could increase the state fee from \$20 up to \$50 depending on the number of background checks performed up to five, resulting in a net increase to the Criminal Record System (CRS) Fund. The range is calculated based on the current state fee and the proposed language that increases the state fee up to \$50.

On average, the Patrol processes approximately 11,000 criminal record checks specific to substitute teacher certification and employment, of which approximately 145 per year resulted in checks for the same individual for different school districts and completed in the same week. However, an increase for the fund could be noted for the potential increase in the state fee, depending on the number of background checks performed.

Regardless of the state fee structure, this proposal would require technical system changes to the Missouri Automated Criminal History System to be completed by the MSHP's Criminal History vendor. The estimated cost of \$165,000 is based on previous projects with a similar scope of work.

Oversight will show the cost for system modifications to the Missouri Automated Criminal History System and an unknown amount of revenue from the increased fees..

In response to a similar proposal, HB 608 (2021), officials from the **Affton 101 School District**, **High Point R-III School District** and the **Springfield R-XII School District** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight does not anticipate a fiscal impact to school districts. However, Oversight received a limited number of 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.

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

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

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

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE			
<u>Costs</u> - DESE - new application and process - §168.036.5	(\$40,000)	\$0	\$0
<u>Costs</u> - DESE - new certification process and reporting database - §168.036.7	(\$60,000)	\$0	\$0
<u>Costs</u> - DESE			
Personnel Service	(\$23,300)	(\$28,240)	(\$28,522)
Fringe Benefits	(\$18,947)	(\$22,838)	(\$22,941)
Expense & Equipment	(\$15,858)	(\$8,288)	(\$8,494)
<u>Total Costs</u> -	<u>(\$58,105)</u>	<u>(\$59,366)</u>	<u>(\$59,957)</u>
FTE Change	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$158,105)</u>	<u>(\$59,366)</u>	<u>(\$59,957)</u>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
CRIMINAL RECORD SYSTEM FUND (0671)			
<u>Income</u> – MHP – potential increase in fees for multiple school designations	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - DPS-MHP - Missouri Automated Criminal History System modifications - §168.036	(\$165,000)	\$0	\$0
ESTIMATED NET EFFECT ON CRIMINAL RECORD SYSTEM FUND	<u>Up to (\$165,000)</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</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 provides a new four year certification method for individuals that want to substitute teach. Applicants for certification must complete a background check and also have at least 36 college hours or have completed a 20 hour online training and have a high school diploma or equivalency. An alternative route to certification is provided for qualified individuals with technical or business expertise or Armed Forces experience and a superintendent sponsorship.

Substitute certificates will expire if the individual fails to substitute teach for at least five days or 40 hours in a calendar year, and no individual under 20 years old may substitute in grades nine-12.

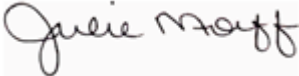
The bill also requires the Department of Elementary and Secondary Education to develop an online substitute training program with 20 hours of training related to subjects appropriate for substitute teaching, and authorizes school districts to develop district specific orientations lasting two hours.

The bill provides substitute teachers beginning January 1, 2023 that apply for a fingerprint background check the opportunity to submit the results to up to five different school districts for a specified fee.


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
Department of Public Safety - Missouri Highway Patrol
Office of the Secretary of State
Joint Committee on Administrative Rules
Affton 101 School District
High Point R-III School District
Springfield R-XII School District



Julie Morff
Director
January 19, 2022



Ross Strope
Assistant Director
January 19, 2022