

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3980S.02I
Bill No.: SB 694
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; Teachers
Type: Original
Date: March 28, 2022

Bill Summary: This proposal creates provisions related to public school curriculum and instruction.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*If DESE withholds monthly distributions to a local education agency or public school, Oversight assumes the fiscal impact (savings) to the state could exceed the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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
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 2023	FY 2024	FY 2025
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

SEQ CHAPTER 1 Officials from the **Department of Elementary and Secondary Education** and the **Attorney General's Office** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight assumes this proposal limits the use of certain curriculums (including the 1619 Project) in school districts. If a school district fails to comply with this proposal, DESE is to withhold fifty percent of the monthly distribution of state formula funding.

Oversight notes, per an [article](#) in the St. Louis Post-Dispatch, the University City School District utilized the 1619 Project in the Advanced Placement language arts class curriculum. Oversight notes the following monthly payment of state monies to the University City School District in the table below.

Month	Monthly Payment	50% of Monthly Payment
July 2020	\$199,257	\$99,629
August 2020	\$426,874	\$213,437
September 2020	\$422,551	\$211,276
October 2020	\$377,927	\$188,964
November 2020	\$398,805	\$199,403
December 2020	\$428,030	\$214,015
January 2021	\$423,515	\$211,758
February 2021	\$417,779	\$208,890
March 2021	\$546,821	\$273,411
April 2021	\$541,073	\$270,537
May 2021	\$412,021	\$206,011
June 2021	\$387,105	\$193,553
Total	\$4,782,501	\$2,391,251

*Source: Department of Elementary and Secondary Education payment transmittal.

Oversight notes the foundation formula payments for school districts is estimated at \$3,561,737,794 for FY 2023 per the DESE Budget Request for FY 2023.

Oversight is uncertain how many school districts might violate the provisions of this proposal. Therefore, Oversight will show a range of impact of \$0 (no violations) to an unknown amount withhold from the monthly distribution of state formula funding to school districts.

Oversight will show a corresponding loss to school districts.

In addition, **Oversight** assumes there could be costs for school districts for staff training or curriculum and compliance with the other requirements of this proposal.

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 listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE			
<u>Savings - DESE - from funding withheld from school districts and charter schools for violating section §160.2550.5</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or Unknown</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
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs - for staff training and curriculum - §160.2550</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss - School Districts & Charter Schools - funding withheld for violating section §160.2550.5</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Under this act, school districts are prohibited from teaching about The 1619 Project or any successor theory or concept, critical race theory or any successor theory or concept, and any divisive concepts, as such term is defined in the act. Districts are also prohibited from certain actions listed in the act relating to curriculum and instruction.

In adopting the essential knowledge and skills for the social studies for each grade level from kindergarten through 12th grade, each school district shall adopt knowledge and skills that develop each student's civic knowledge as set forth in the act.

School districts shall not accept private funding for the purposes of teaching any curriculum substantially similar to critical race theory or The 1619 Project.

The Attorney General may investigate school districts for compliance with the act. Any school district that violates the provisions of the act shall have 50% of the district's state aid withheld until the district presents evidence to the Department of Elementary and Secondary Education that the district is no longer in violation of this section.

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

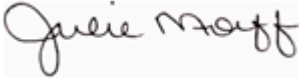
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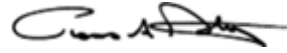
Department of Elementary and Secondary Education

A handwritten signature in cursive script, reading "Julie Morff".

Julie Morff

Director

March 28, 2022

A handwritten signature in cursive script, reading "Ross Strobe".

Ross Strobe

Assistant Director

March 28, 2022