

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4231S.02I
Bill No.: SB 703
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; Department of Higher Education and Workforce Development
Type: Original
Date: January 31, 2022

Bill Summary: This proposal modifies provisions relating to workforce development in elementary and secondary education.

FISCAL SUMMARY

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

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	0	0	0

☐ 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

Officials from the **Department of Elementary and Secondary Education (DESE)** and the **Department of Higher Education and Workforce Development (DHEWD)** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal, HB 2171 (2022), officials from **DESE** stated it would need to add the requirements for school districts to the District Assurance Checklist but would not require additional funds or FTE. The requirement for ensuring FASFA and ICAP participation/completion are a responsibility of the school that the student attends.

In response to a similar proposal, HB 2171 (2022), officials **DHEWD** stated this year's language lists DESE specifically at the beginning of section 169.703. Per their understanding, DESE would be in charge of ICAP and FAFSA.

In response to a similar provision in HB 101 (2021), officials from **DHEWD** stated Section 167.908 would require the department establish a procedure for providing the means and capability for high school students enrolled in career and technical education programs described under section 170.029 to complete an application for aid through the United States Department of Labor, Employment and Training Administration pursuant to the federal Workforce Innovation and Opportunity Act. The department shall work with school districts that deliver career and technical education programs to educate students on the value of the aid that is available to them through the federal Workforce Innovation and Opportunity Act. The bill also sets certain performance measures the department must meet. The application process for these funds is part of the local work development board processes that already exist. No new state costs will be required and the federal funding is part of an annual allocation to each state from the US Department of Labor. No new increase in FTE is required at this time.

Oversight notes the agencies listed above stated they did not anticipate a fiscal impact on their respective organizations. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Based on DESE's response, **Oversight** will show a range of impact to school districts and charter schools of \$0 (costs can be absorbed) to an unknown cost for ensuring FASFA and ICAP participation/completion.

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, 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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
SCHOOL DISTRICTS & CHARTER SCHOOLS			
<u>Costs - for ensuring FASFA and ICAP participation/completion</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
SCHOOL DISTRICTS & CHARTER SCHOOLS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

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, the Department of Elementary and Secondary Education shall establish a process by which each student prior to 9th grade shall develop an individual career and academic plan of study, with help from the student's parent or guardian and the school's guidance counselors. Before a student finishes 12th grade, the student shall declare the student's postsecondary plans as part of the student's individual career and academic plan. Such declaration shall include items set forth in the act.

The act also states that no student shall receive a certificate of graduation from any public school or charter school unless the student has completed and submitted the Free Application for Federal Student Aid. A student is exempt from this requirement under certain circumstances listed in the act.

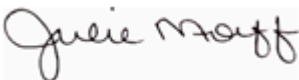
These provisions shall become effective on July 1, 2023.

Finally, this act requires the Department of Higher Education and Workforce Development to establish a procedure for providing the means and capability for high school students enrolled in certain career and technical education programs to complete an application for aid through the Employment and Training Administration of the U.S. Department of Labor under the federal Workforce Innovation and Opportunity Act.

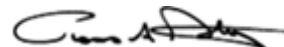
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
January 31, 2022



Ross Strobe
Assistant Director
January 31, 2022