

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0560S.02I
Bill No.: SB 136
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; Department of Higher Education and Workforce Development
Type: Original
Date: January 12, 2023

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 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Sections 167.903 and 167.907 - FAFSA and ICAP Participation

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** and the **Department of Elementary and Secondary Education (DESE)** 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 will not require additional funds or FTE. The requirement for ensuring FAFSA and ICAP (individual career and academic plan) participation/completion are a responsibility of the school that the student attends.

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

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 completion of the listed requirements.

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

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
SCHOOL DISTRICTS & CHARTER SCHOOLS			
<u>Costs</u> - for ensuring FAFSA and ICAP participation/completion - §167.903 & 167.907	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
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, with help from the student's parent or guardian and the school's counselors.

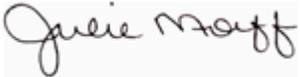
Before a student finishes 12th grade, the student shall declare the student's postsecondary plans as part of the student's individual career and academic plan. Such declaration shall include items set forth in the act.

Beginning July 1, 2024, each school district shall establish a process in which a student completes and submits the Free Application for Federal Student Aid. A student is exempt from this requirement under certain circumstances listed in the 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



Julie Morff
Director
January 12, 2023



Ross Strobe
Assistant Director
January 12, 2023