

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1641S.02I  
 Bill No.: SB 411  
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education  
 Type: Original  
 Date: January 6, 2023

Bill Summary: This proposal provides that no school district shall be a member of a statewide activities association that prohibits a home school student from participating in any event or activity offered by a public school in the school district in which the student resides.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Numbers within parentheses: () indicate costs or losses.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

**Oversight** notes DESE may withhold funding to school districts who violate this section. Based on the response provided by DESE, Oversight assumes schools will comply with the provisions in this proposal and that they will continue to receive state funding. Therefore, Oversight will not reflect a savings to General Revenue from retained foundation formula payments withheld from schools.

In response to a similar proposal, SB 835 (2022), officials from the **High Point R-III School District** assumed the proposal would not fiscally impact their organization.

In response to a similar bill, SB 130 (2019), officials from the **Sherwood-Cass R-VIII School District** assumed the cost to the school districts would be the loss of revenue from hosting competitions, concession sales, and miscellaneous revenues through fund-raising and other methods.

In response to a similar bill, SB 130 (2019), officials from the **Springfield Public Schools** assumed a cost of \$75,000 for administrative support to monitor eligibility and other factors for students who are not enrolled in the district and other costs that would result from expanded need for contests due to increased participation. The district has 14 schools with athletics so this would require dedicated staff time.

In response to a similar bill, SB 130 (2019), officials from the **Lee's Summit R-7 School District** assumed the proposal will have no fiscal impact on their organization as the Missouri State High School Activities Association does have guidelines and their district does allow these students to participate.

In response to a similar bill, SB 130 (2019), officials from the **Wellsville-Middletown R-1 School District** assumed the proposal will have no fiscal impact on their organization.

**Oversight** notes the Missouri State High School Activities Association (MSHSAA) does allow some non-traditional students to participate if they meet certain criteria including in-class seat time per the MSHSAA Handbook. Oversight notes some districts indicated a negative fiscal impact due to loss of revenue from hosting competitions, concession sales and fund-raising or administrative costs to track eligibility. Oversight will show a potential unknown cumulative fiscal impact to school districts.

**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 2024 (10 Mo.)	FY 2025	FY 2026
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>SCHOOL DISTRICTS</b>			
<u>Loss of Revenue</u> - prohibition of participation in a statewide activities association - §167.790	\$0 or (Unknown)	\$0 or (Unknown)	§\$0 or (Unknown)
<u>Cost</u> - administrative cost to track and determine eligibility - §167.790	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT TO SCHOOL DISTRICTS</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act specifies that a school district shall not be a member of, or remit any funds to, any statewide activities association that prohibits a home school student from participating in any

event or activity offered by the school district or that requires a home school student to take a class in order to participate in such event or activity.

The act additionally prohibits a statewide activities association from preventing any member school district from participating in any event with a school that is not a member of the association.

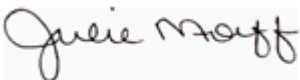
The act provides that school discipline policies will apply to home school students, and records created pertaining to a home school student will be made confidential.

The act authorizes the Department of Elementary and Secondary Education to withhold state aid payments from any school district that violates the provisions of the act.

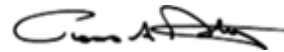
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
High Point R-III School District  
Sherwood-Cass R-VIII School District  
Springfield Public Schools  
Lee's Summit R-7 School District  
Wellsville-Middletown R-1 School District



Julie Morff  
Director  
January 6, 2023



Ross Strobe  
Assistant Director  
January 6, 2023