

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1641S.06C
Bill No.: SCS for SB Nos. 411 & 230
Subject: Education, Elementary and Secondary; Department of Elementary And Secondary Education
Type: Original
Date: April 3, 2023

Bill Summary: This proposal establishes provisions relating to the participation of elementary and secondary school students in nontraditional educational settings.

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

Officials from the **Department of Elementary and Secondary Education, Department of Revenue, Missouri Office of Prosecution Services** and the **Department of Social Services** 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.

Officials from the **Office of Administration - Budget and Planning, Office of the State Treasurer** and the **Office of the State Courts Administrator** did not respond to **Oversight's** request for fiscal impact for this proposal.

Section 162.1250 – Qualified Schools for the Missouri Empowerment Scholarship Program

Oversight assumes this proposal removes home school from the 'Qualified School' definition for the Missouri Empowerment Scholarship Program and adds family connected school to the definition.

For purposes of this fiscal note, **Oversight** will not show an impact from changing the definition of qualified school as the full value of the tax credit cap (full participation) was accounted for in prior legislation and changing the number of students who may participate will not impact the amount of donations (which drives the 100% tax credit amounts).

Section 167.790 – Statewide Activities Association

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
	<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			
<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)
ESTIMATED NET EFFECT TO SCHOOL DISTRICTS	\$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

This act modifies the definition of "home school", creates a definition for "family connected school", repeals provisions authorizing the appointment of school attendance officers, repeals provisions authorizing parents to submit a written declaration of intent to home school, and establishes provisions relating to the participation of certain students in public school activities.

FAMILY CONNECTED SCHOOLS (Sections 161.670, 162.996, 162.1250, 166.700, 167.031, 167.061, 167.600, 167.619, 210.167, 210.211, 211.031, 452.375, and 167.071)

The act defines a "family connected school" as a school that meets certain criteria that also apply to home schools, except that a family connected school may enroll students who participate in the Missouri Empowerment Scholarship Accounts Program or activities offered by a public school district. The definition of "home school" is modified to exclude students who participate in such Program or activities. The act modifies certain provisions of law to include family connected schools in provisions that also apply to home schools. The act also modifies the definition of "qualified schools" in provisions relating to the Missouri Empowerment Scholarship Accounts Program to include family connected schools instead of home schools.

Public schools, state agencies and employees, and certain private entities shall not refer to family connected schools or to publicly funded programs, including but not limited to virtual school programs, as "home schooling". Additionally, public schools, state agencies and employees, and certain private entities shall not refer to students who are enrolled in an attendance center of a public school district, including full-time virtual school programs, students who receive education funding from the state of Missouri, or students who participate in the Missouri

Empowerment Scholarship Accounts Program as "home schooled" students (Section 163.071.8(2)).

DECLARATIONS OF INTENT TO HOME SCHOOL (Section 167.042)

The act repeals provisions authorizing parents to submit a written declaration of intent to home school their child to the recorder of deeds of the county where the child legally resides or to the superintendent of the public school district where the child legally resides.

SCHOOL ATTENDANCE OFFICERS (Section 167.071)

The act repeals provisions authorizing a seven-director school district to appoint a school attendance officer who has the powers of a deputy sheriff and may investigate claims of violations of the compulsory attendance law and arrest truant juveniles without a warrant.

PARTICIPATION IN PUBLIC SCHOOL ACTIVITIES (Section 167.790)

The act provides that a school district shall not prohibit a student receiving instruction at a family connected school or a full-time virtual school from participating in any event or activity offered by the school district or require such student to take any class in order to participate in such event or activity. The act further provides that a school district shall not be a member of, or remit any funds to, a statewide activities association that prohibits a student receiving instruction at a family connected school or a full-time virtual school from participating in any event or activity offered by the school district in which the student resides or that requires such students to take any class in order to participate in such event or activity. Additionally, a statewide activities association shall not prohibit any member school district from participating in any event with a school that is not a member of the association.

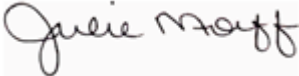
A school district may establish an attendance policy for any rehearsals, practice sessions, and training sessions that are directly related to and required for participation in an event or activity. However, school disciplinary policies and attendance policies shall be applied in the same manner to all students who participate in an event or activity. A school district shall not establish a separate disciplinary or attendance policy for students who receive instruction at a family connected school or a full-time virtual school.

Records created pertaining to a family connected school student or a full-time virtual school student shall be made confidential. The parent of a family connected school student shall oversee academic standards relating to such student's participation in a public school activity.


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 Revenue
Department of Social Services
Missouri Office of Prosecution Services
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



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