

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1733S.02I
 Bill No.: SB 535
 Subject: Education, Elementary and Secondary; Department of Elementary And Secondary Education
 Type: Original
 Date: April 21, 2023

Bill Summary: This proposal creates the Stem Career Awareness Activity Fund for the purpose of establishing a Stem Activity Program for grades nine through twelve.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	\$0	More or less than (\$161,063)	More or less than (\$161,063)
Total Estimated Net Effect on General Revenue	\$0	More or less than (\$161,063)	More or less than (\$161,063)

*Subject to appropriation.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Stem Career Awareness Activity Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Distributions and transfers net to zero.

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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

In response to a similar proposal, HB 887 (2023), officials from **Department of Elementary and Secondary Education (DESE)** stated, as written, this proposal would not have a direct fiscal impact on DESE as long as they could identify a vendor/provider outside of DESE. DESE believes this initiative (STEM Awareness for 9-12) does sound similar to their current STEM Awareness Program for middle level education, which requires an RFP for a vendor (pending appropriations), but the logistics of the RFP process could be facilitated by existing staff working with Office of Administration.

Oversight assumes the cost for a vender would be similar to the cost for the existing STEM Career Awareness Program (grades 6-8, created in HB 3 2018 1st Extraordinary Session). Oversight notes the following transfers and disbursements to the existing STEM Career Awareness Program Fund (0997) per the Office of the State Treasurer's Fiscal Year End Funds Reports:

Fiscal Year	Disbursements	Transfers In
FY 2019	\$150,000	\$150,000
FY 2020	\$150,000	\$210,625
FY 2021	\$150,000	\$150,000
FY 2022	\$194,250	\$132,116
Average	\$161,063	\$160,685

Oversight will show a cost that could be more or less than average disbursement for the existing STEM Career Awareness Program.

Oversight assumes this proposal creates the STEM Career Awareness Activity Fund. For simplicity, Oversight assumes all funds will be utilized in the year in each they were received.

Officials from the **Office of the State Treasurer** did not respond to **Oversight's** request for fiscal impact for this proposal.

Oversight assumes the Office of the State Treasurer (STO) is provided with core funding to handle a certain amount of activity each year. Oversight assumes the STO could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the STO could request funding through the appropriation process.

<u>FISCAL IMPACT – State Government</u> Continued	FY 2024 (10 Mo.)	FY 2025	FY 2026
STEM CAREER AWARENESS ACTIVITY PROGRAM FUND			
<u>Transfer In</u> – from General Revenue - §161.264	More or less than \$161,063	More or less than \$161,063	More or less than \$161,063
<u>Income</u> – gifts, bequests or donations - §161.264	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - for a vendor to implement the statewide program - §161.264	More or less than (\$161,063)	More or less than (\$161,063)	More or less than (\$161,063)
ESTIMATED NET EFFECT ON THE STEM CAREER AWARENESS ACTIVITY PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act creates the "STEM Career Awareness Activity Fund" for the purpose of establishing a science, technology, engineering, and mathematics (STEM) activity program for students in grades nine through twelve. Under the act, the Department of Elementary and Secondary Education (DESE) shall select a provider to deliver a teacher-led program that involves facilitating a cohort of students to conduct STEM activities at state, national, or international competitions. DESE shall select a provider that presents data demonstrating the effectiveness of the program as defined in the act. DESE shall begin soliciting applications from providers by January 1, 2024, and select a provider by March 1, 2024.

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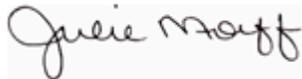
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Oversight assumes this program is similar to the STEM Career Awareness Program created in Section 161.261 (grades 6-8). The existing STEM Career Awareness Program targets grades six through eight, while this new program, the STEM Career Awareness Activity Program, targets grades nine through twelve.

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
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
April 21, 2023



Ross Strobe
Assistant Director
April 21, 2023