

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3536S.01I
Bill No.: SB 819
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; Children and Minors; Teachers; Tax Credits; State Treasurer
Type: Original
Date: January 21, 2024

Bill Summary: This proposal creates, modifies, and repeals provisions relating to participation of certain students in nontraditional educational settings.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| 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 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| 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 2025 | FY 2026 | FY 2027 |
| | | | |
| 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, Office of the State Treasurer,** 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, Missouri Office of Prosecution Services,** and the **Office of the State Courts Administrator** did not respond to **Oversight's** request for fiscal impact for this proposal.

Officials from the **Phelps County Sheriff's Office, Kansas City Police Department,** and **St. Louis County Police Department** each assume the proposal will have no fiscal impact on their organization.

Section 166.700 – 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 FLEX 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 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|---------------------|------------|------------|
| | | | |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| | | | |

| <u>FISCAL IMPACT – Local Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|--|-----------------------------|-----------------------------|-----------------------------|
| 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 | <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

This act modifies the definition of "home school", creates a definition for "FLEX 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.

FLEX 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-Led Educational eXperience (FLEX) school" or "FLEX school" as a school that meets certain criteria that also apply to home schools, except that a FLEX 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 FLEX schools in provisions that also apply to home schools. The act also modifies the definition of "qualified schools" in provisions relating to the Empowerment Scholarship Accounts Program to include FLEX schools instead of home schools. However, any state laws or regulations that apply to the Empowerment Scholarship Accounts Program shall not apply to FLEX school students who do not participate in such program. The act specifies that no state agency shall have regulatory oversight or rulemaking authority over FLEX schools unless such oversight or authority is specifically delegated under state law.

Public schools, state agencies, state employees, and certain private entities shall not refer to FLEX 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, students who are enrolled in 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.

DECLARATIONS OF INTENT TO HOME SCHOOL (Section 167.042)

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

A school district may establish an attendance policy for any rehearsals, practice sessions, or training sessions that are directly related to and required for participation in an event or activity. A school district may also require students to participate in components of instruction that are required for participation in fine arts activities, career and technical student organizations, or integrated cocurricular activities.

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.

Any 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 FLEX school or a full-time virtual school.

If a student whose academic performance or disciplinary status would preclude such student from eligibility to participate in extracurricular events or activities in the resident school district disenrolls from such school district in order to receive instruction at a FLEX school or a full-time virtual school, such student shall not be eligible to participate in public school events or activities in the district of such student's disenrollment for twelve calendar months from the date of disenrollment.

The parent of a FLEX school student shall oversee any academic standards relating to such student's participation in a public school event or activity.

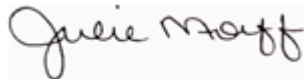
Any records created pertaining to a FLEX school student, or a full-time virtual school student shall be made confidential.

The act outlines certain criteria that FLEX school and virtual school students shall satisfy in order to be eligible to participate in public school activities in their district of residence. Such students shall provide proof of residency in the district in which they wish to participate in public school activities. They shall also adhere to the same behavior, responsibility, performance, and code conduct standards as do students who are enrolled in the district.

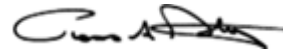
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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
Phelps County Sheriff
Kansas City Police Department
St. Louis County Police Department



Julie Morff
Director
January 21, 2024



Ross Strobe
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January 21, 2024