

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4914S.01I
 Bill No.: SB 1290
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; State Treasurer; Appropriations
 Type: Original
 Date: March 25, 2024

Bill Summary: This proposal establishes the "Classical Education Grant Program" for the purpose of assisting school districts with providing programs in classical education.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|--|--|--|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| General Revenue* | (Unknown, Could exceed \$250,000) | (Unknown, Could exceed \$250,000) | (Unknown, Could exceed \$250,000) |
| Total Estimated Net Effect on General Revenue | (Unknown, Could exceed \$250,000) | (Unknown, Could exceed \$250,000) | (Unknown, Could exceed \$250,000) |

**Oversight is uncertain how much would be appropriated and transferred into the Classical Education Grant Program Fund but assuming grants ranged in requests from \$1,000 - \$50,000 per local education agency (LEA) and approximately 200 LEAs applied the cost could be between \$200,000 and \$10,000,000. Therefore, Oversight assumes the transfer from General Revenue would exceed the \$250,000 threshold.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| Classical Education Grant 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 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 |
| General Revenue | .25 FTE | .25 FTE | .25 FTE |
| | | | |
| Total Estimated Net Effect on FTE | .25 FTE | .25 FTE | .25 FTE |

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, Could exceed \$250,000 | \$0 or Unknown, Could exceed \$250,000 | \$0 or Unknown, Could exceed \$250,000 |

FISCAL ANALYSIS

ASSUMPTION

Section 161.390 Classical Education Grant

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the creation of the "Classical Education Grant Program" would require the development of the grant application, review of applicants, technical assistance with implementation, and follow up regarding efficacious use of funds, including annual budget reporting. Depending upon the final scope and funds allocated toward the grant, DESE is estimating that the work would extend beyond the current staff capacity at the equivalence of 0.25 FTE of a Director level salary (mid-level, \$74,808) plus related expenses and equipment.

The total grant program to be disbursed would be dependent upon appropriation of General Revenue transferred into the new fund. DESE has reflected a cost of \$0 to Unknown as the grant amounts or total appropriation is not described. However, assuming grants ranged in requests from \$1,000 - \$50,000 per local education agency (LEA) and approximately 200 LEAs applied the cost could be between \$200,000 and \$10,000,000.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the unknown fiscal impact by described DESE in the fiscal note.

Oversight is uncertain how much would be appropriated and transferred into the Classical Education Grant Program Fund, if any, but notes per DESE grants ranged in requests from \$1,000 - \$50,000 per local education agency (LEA) and approximately 200 LEAs applied the cost could be between \$200,000 and \$10,000,000. Therefore, Oversight assumes the transfer from General Revenue could exceed the \$250,000 threshold.

Oversight assumes this proposal creates the Classical Education Grant Program 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 (STO)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight did not receive any 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.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

| <u>FISCAL IMPACT – State Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|---|---|---|
| GENERAL REVENUE | | | |
| | | | |
| <u>Transfer Out</u> – to the Classical Education Grant Program Fund | \$0 or (Unknown, Could exceed \$250,000) | \$0 or (Unknown, Could exceed \$250,000) | \$0 or (Unknown, Could exceed \$250,000) |
| <u>Costs</u> – DESE | | | |
| Personal Service | (\$15,585) | (\$19,076) | (\$19,458) |
| Fringe Benefits | (\$9,170) | (\$11,149) | (\$11,297) |
| Expense and Equipment | (\$4,304) | (\$564) | (\$575) |
| <u>Total Costs - DESE</u> | <u>(\$29,059)</u> | <u>(\$30,789)</u> | <u>(\$31,330)</u> |
| FTE Change – DESE | .25 FTE | .25 FTE | .25 FTE |
| | | | |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | (Unknown, Could exceed \$250,000) | (Unknown, Could exceed \$250,000) | (Unknown, Could exceed \$250,000) |
| Estimated Net FTE Change on the General Revenue Fund | .25 FTE | .25 FTE | .25 FTE |
| | | | |
| | | | |

| <u>FISCAL IMPACT – State Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|--|--|--|
| CLASSICAL EDUCATION GRANT PROGRAM FUND | | | |
| | | | |
| <u>Transfer In – from General Revenue</u> | \$0 or Unknown, Could exceed \$250,000 | \$0 or Unknown, Could exceed \$250,000 | \$0 or Unknown, Could exceed \$250,000 |
| | | | |
| <u>Income – gifts, bequests, or donations</u> | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| | | | |
| <u>Transfer Out – School Districts</u> | \$0 or (Unknown, Could exceed \$250,000) | \$0 or (Unknown, Could exceed \$250,000) | \$0 or (Unknown, Could exceed \$250,000) |
| | | | |
| ESTIMATED NET EFFECT ON CLASSICAL EDUCATION GRANT PROGRAM FUND | <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>Transfer In – from Classical Education Grant Program Fund</u> | \$0 or Unknown, Could exceed \$250,000 | \$0 or Unknown, Could exceed \$250,000 | \$0 or Unknown, Could exceed \$250,000 |
| | | | |
| ESTIMATED NET EFFECT ON SCHOOL DISTRICTS | <u>\$0 or Unknown, Could exceed \$250,000</u> | <u>\$0 or Unknown, Could exceed \$250,000</u> | <u>\$0 or Unknown, Could exceed \$250,000</u> |

FISCAL IMPACT – Small Business

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

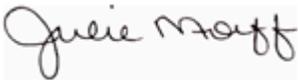
FISCAL DESCRIPTION

Subject to appropriation, this act establishes the "Classical Education Grant Program" and corresponding fund in the state treasury for the purpose of assisting school districts with providing programs in classical education. The act defines a "classical education program" as a program that educates students in the liberal arts and sciences. The liberal arts consist of certain language and mathematical skills, while the sciences consist of bodies of knowledge including the human sciences, the natural sciences, and the theological sciences, as such terms are described in the act. A school district that wishes to receive a grant shall submit an application to the Department of Elementary and Secondary Education outlining the proposed classical educational program, establishing key success metrics, identifying resources available in the community, and specifying additional resources necessary for successful implementation of the program.

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
Office of the State Treasurer
Joint Committee on Administrative Rules



Julie Morff
Director
March 25, 2024



Ross Strobe
Assistant Director
March 25, 2024