

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5830S.02I
 Bill No.: SB 1440
 Subject: Department of Elementary and Secondary Education; Education, Elementary and Secondary; Athletics
 Type: Original
 Date: May 6, 2024

Bill Summary: This proposal prohibits public and private schools and school districts from being members of any statewide athletic activities association that allows students to take testosterone or any other performance-enhancing drugs.

FISCAL SUMMARY

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

*The fiscal note reflects the potential withholding of funds from public schools and institutions of higher education if the financial penalty provisions of the bill are enacted. Oversight is uncertain how many schools may be non-compliant; therefore, Oversight assumes this gain to General Revenue could exceed the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
University Funds*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight assumes the loss could exceed \$250,000.

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** and the **Department of Higher Education and Workforce Development** both assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes Section 163.048.6 states a private school, public school district, public charter school, or public or private institution of postsecondary education that violates subdivision (1) of subsection 3 of this section or subsection 4 of this section shall not receive any state aid under this chapter or chapter 173 or any other revenues from the state. Oversight will show a range of impact of \$0 (no violations) to an unknown savings to General Revenue and an unknown loss to school districts, charter schools and colleges. Oversight assumes this savings (from potential funding withholds) to General Revenue could exceed \$250,000.

Officials from the **Northwest Missouri State University** and **Missouri State University** both assume the proposal will have no fiscal impact on their organizations.

Officials from the **University of Central Missouri (UCM)** assume there could be a significant fiscal impact as this would prevent UCM from being members of athletic associations affecting our ability to recruit student athletes which financially affects athletics and funding from enrollment.

Oversight is uncertain what will be classified as performance enhancing drugs under this provision. Oversight assumes there is a potential to affect the ability of school districts, colleges, and universities to recruit student athletes which financially affects athletics and funding from enrollment. Therefore, Oversight will reflect a \$0 or unknown loss in the fiscal note.

Oversight notes Section 163.048.7 states the parent or guardian of any student, or any student who is over eighteen years old, who is deprived of an athletic opportunity as a result of a violation of the act shall have a cause of action for injunctive or other equitable relief as described in the act. Therefore, Oversight will show a range of impact of \$0 (no violations) to an unknown cost to school districts for attorney fees and other legal costs.

Oversight assumes there could be a loss to public schools, colleges and universities that fail to comply with the requirements in the proposal. The penalty would be any moneys appropriated by the general assembly. Based on amounts appropriated, Oversight assumes the loss could exceed \$250,000.

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>Revenue Gain</u> – potential funding withheld from colleges and universities for violating section §163.048	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> – potential funding withheld from community colleges for violating section §163.048	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> – potential funding withheld from school districts and charter schools for violations	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
UNIVERSITY FUNDS			
<u>Loss</u> - funding withheld for violating section §163.048	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - for attorney's fees and other legal costs	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> - School Districts, Charter Schools, Community Colleges - for attorney’s fees and other legal costs	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - School Districts & Charter Schools - funding withheld for violating section §163.048	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> – Community Colleges - funding withheld for violating section §163.048	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$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 provides that no public school, private school, public charter school, public school district, or public or private institution of postsecondary education shall be a member of any statewide athletic activities association that allows students to take performance enhancing drugs. Any public school, private school, public charter school, public school district, or public or private institution of postsecondary education that violates this act shall not receive any state aid or other revenues from the state. The parent or guardian of any student, or any student who is over eighteen years old, who is deprived of an athletic opportunity as a result of a violation of the act shall have a cause of action for injunctive or other equitable relief as described in the act.

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

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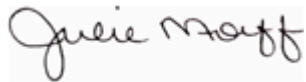
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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Office of the Secretary of State
Joint Committee on Administrative Rules
University of Central Missouri
Northwest Missouri State University.
Missouri State University



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