

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0514H.14C
Bill No.: HCS for SS for SB 63
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; County Officials; Children and Minors
Type: Original
Date: April 23, 2025

Bill Summary: This proposal modifies provisions governing the participation of certain students in nontraditional educational settings.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government*	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

*Unknown savings from no longer paying membership dues if prohibited from participating in a statewide activities association to unknown loss of revenue if no longer hosting events associated with a statewide activities association.

FISCAL ANALYSIS

ASSUMPTION

§§167.012 & 167.013 - FPE and Homeschool Procedures

In response to similar legislation, HCS for HB 31 (2025), officials from the **Department of Elementary and Secondary Education, Missouri Office of Prosecution Services, Office of the State Courts Administrator** and the **Department of Social Services** each assumed the proposal will have no fiscal impact on their respective organizations.

In response to similar legislation, HB 31 (2025), officials from **Office of Administration - Budget and Planning** assumed the proposal will have no fiscal impact on their respective organizations.

In response to similar legislation, HCS for HB 1672 (2024), officials from the **Mississippi County Recorder's Office** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation, HCS for HB 1672 (2024), officials from the **Office of Administration - Budget and Planning** assumed Section 167.042 allows the recorder of deeds to charge a service cost up to \$1 for each notice filed. The repeal of this section may not affect TSR, but may impact the calculation under Article X, Section 18(e).

Oversight notes the proposal removes the annual reporting requirement for home schooled children. Oversight is uncertain how many recorders of deeds charge a service cost for notices filed but assumes this proposal could reduce the number of notices filed. Therefore, Oversight will reflect a \$0 (no fee charged for noticed filed) to an unknown loss to county recorders.

Oversight notes the following number of Misdemeanor Charges with Guilty Dispositions for violations of section 167.031 for the last three years:

- FY 2024 – 84
- FY 2023 – 56
- FY 2022 – 45

Repeal of Section 167.042 - Declarations of Intent to Home School

Officials from the **Department of Elementary and Secondary Education** 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.

In response to similar legislation HB 1672 (2024), officials from the **Mississippi County Recorder's Office** assumed the proposal will have no fiscal impact on their organization.

Oversight notes the proposal removes the annual reporting requirement for home schooled children. Oversight is uncertain how many recorders of deeds charge a service cost for notices filed but assumes this proposal could reduce the number of notices filed. Therefore, Oversight will reflect a \$0 (no fee charged for noticed filed) to an unknown loss to county recorders.

Section 167.790 – Statewide Activities Association

Officials from the **Department of Elementary and Secondary Education** 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.

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.

Section 167.850 - Recovery High Schools

Officials from **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. At this time DESE does not expect to become a sponsor and will show no impact. Should DESE become a sponsor of a recovery high school, additional FTE would be needed and DESE would seek those FTE through the appropriations process.

Upon further inquiry in regard to similar legislation, HB 1386 (2025), **DESE** noted there were funds in DESE's budget for start-up costs for a Recovery High School in FY24, first time funds were budgeted. The language identified a specific high school, and no one applied. The funds were re-appropriated for FY 25 with language that opens it up state-wide but these funds are for start-up costs.

DESE has received two applications for the one-time DESE funds appropriated for Recovery High Schools. The applications for funds were received from Cape Girardeau 63 School District and Lincoln County R-III (Troy).

There are not any recovery high schools operating currently, but the deadline to submit a proposal to pilot a Recovery High School is July 1, 2025 (to begin operation in the 2026 – 2027 school year). Only once a proposal has been submitted and ultimately approved by the State Board of Education can the DMH funds be accessed.

Officials from the **Department of Mental Health** and the **Department of Public Safety – Alcohol and Tobacco Control** both assume the proposal will have no fiscal impact on their respective organizations.

Upon further inquiry in regard to similar legislation, HB 1386 (2025), **DMH** stated they received the original funding for Recovery High Schools in the FY25 Budget and the same funding was recommended for the FY26 budget. DMH has been appropriated \$10,434,783 for Recovery High Schools. So far in FY25 DMH has expenditures of \$7,565 for Recovery High Schools. DMH's review of this fiscal note believes that the changes to the language would not add any additional need to the already appropriated amount received.

Oversight notes officials from the DMH assume they can absorb the additional costs with their current appropriation. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to the similar proposal, SB 1393 (2024), officials from the **Concordia R-II School District** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

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.

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 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> – prohibition of participation in a statewide activities association (no member fee being paid) §160.097	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss of Revenue</u> – County Recorders – no longer charging a service cost of \$1 for notices filed (the bill removes the annual requirement) - §167.042 p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss of Revenue</u> – School Districts and Charter Schools - prohibition of participation in a statewide activities association - §167.790 p.4-5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> – School Districts and Charter Schools - administrative cost to track and determine eligibility - §167.790 p.4-5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (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 repeals and establishes provisions relating to the participation of certain students in nontraditional educational settings.

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.

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 Family Paced Education school or "FPE school", as such term is defined in current law, a home 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 such a student 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.

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 an FPE school, a home 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 an FPE school, a home 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 home 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 an FPE school student, home school student, or a full-time virtual school student shall be made confidential.

The act outlines certain criteria that FPE school, home 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 bill repeals current law that allows parents to provide a written declaration of enrollment for home school children to the county recorder of deeds and requires schools to drop from the school rolls any student whose parent provides written notice that they are no longer going to attend public school, specified in the bill.

Currently, home school and family paced education (FPE) education enforcement and records are subject to review only by the prosecuting attorney. This bill requires the prosecuting attorney to have probable cause to review the records.

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
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
Mississippi County Recorder of Deeds
Missouri Office of Prosecution Services
Department of Social Services
Office of Administration - Budget and Planning
Concordia R-II
Department of Mental Health
Department of Public Safety – Alcohol and Tobacco



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