

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0637S.01I
 Bill No.: SB 265
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Science and Technology; State Treasurer; Appropriations
 Type: Original
 Date: January 2, 2025

Bill Summary: This proposal creates the Stem Career Awareness Activity Fund for students in grades 9-12.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0	More or less than (\$192,052)	More or less than (\$192,052)
Total Estimated Net Effect on General Revenue	\$0	More or less than (\$192,052)	More or less than (\$192,052)

*Subject to appropriation.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Stem Career Awareness Activity 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 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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 161.264 Stem Career Awareness

Officials from the **Department of Elementary and Secondary Education (DESE)** assumed this would require DESE to solicit proposals to provide STEM Career Awareness activities and programs for students in grades nine through twelve. Based on a current program and contract for students in grades six through eight that began in FY 2021 the contract cost could be between \$150,000 and \$370,000 (Year one expenditures up to current appropriation level), dependent upon appropriation. DESE assumes a transfer would be made for this contract into the STEM Career Awareness Fund.

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 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
FY 2023	\$202,800	\$242,500
FY 2024	\$305,261	\$269,175
Average	\$192,052	\$194,403

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** 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.

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 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
Transfer Out – to the STEM Career Awareness Activity Program Fund - §161.264	\$0	More or less than (\$192,052)	More or less than (\$192,052)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0	More or less than (\$192,052)	More or less than (\$192,052)
STEM CAREER AWARENESS ACTIVITY FUND			
<u>Transfer In</u> – from General Revenue - §161.264	\$0	More or less than \$192,052	More or less than \$192,052
<u>Income</u> – gifts, bequests or donations - §161.264	\$0	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - for a vendor to implement the statewide program - §161.264	\$0	More or less than (\$192,052)	More or less than (\$192,052)
ESTIMATED NET EFFECT ON THE STEM CAREER AWARENESS ACTIVITY FUND	\$0	\$0	\$0

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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.

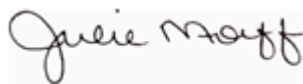
FISCAL DESCRIPTION

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 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 in achieving certain goals specified in the act. DESE shall begin soliciting applications from providers by January 1, 2026, and select a provider by March 1, 2026.

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
 Office of the State Treasurer



Julie Morff
 Director
 January 2, 2025



Jessica Harris
 Assistant Director
 January 2, 2025