

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3963S.01I
Bill No.: SB 1278
Subject: Department of Elementary and Secondary Education; Elementary and Secondary Education; Athletics; Higher Education; Department of Higher Education and Workforce Development; Appropriations
Type: Original
Date: January 6, 2026

Bill Summary: This proposal prohibits elementary and secondary schools and institutions of postsecondary education from being members of athletic organizations that allow students to use performance enhancing drugs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
University Funds*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on Other 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 2027	FY 2028	FY 2029
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*The fiscal note reflects a 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.

FISCAL ANALYSIS

ASSUMPTION

§163.048 – School Athletics Regulations

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 §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) or an unknown savings to General Revenue and an unknown loss to school districts, charter schools and colleges. Oversight assumes this savings (from potential funding withhold) to General Revenue could exceed \$250,000.

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

In response to similar legislation, SB 1440 (2024), officials from the **Missouri State University** assumed the proposal will have no fiscal impact on their organizations.

Oversight notes §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 the amounts appropriated, Oversight assumes the loss could exceed \$250,000.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. 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. A general listing of political subdivisions included in our 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 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
Revenue Gain – (§163.048) Potential funding withheld from Colleges and Universities for violations p.3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Revenue Gain – (§163.048) Potential funding withheld from Community Colleges for violations p.3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Revenue Gain – (§163.048) Potential funding withheld from School Districts and Charter Schools for violations p.3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
COLLEGE AND UNIVERSITY FUNDS			
Cost - (§163.048) Attorney fees and other legal costs p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Loss</u> - (§163.048) Potential funding withheld for violations p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY FUNDS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> – School Districts and Community Colleges (§163.048) Attorney fees and other legal costs p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - School Districts and Charter Schools (§163.048) Funding withheld for violations p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> – Community Colleges (§163.048) Funding withheld for violations p.3	\$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 on 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 or national intercollegiate athletics organization 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

L.R. No. 3963S.01I

Bill No. SB 1278

Page 6 of 6

January 6, 2026

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.

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



Julie Morff

Director

January 6, 2026



Jessica Harris

Assistant Director

January 6, 2026