

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5051-02
Bill No.: HCS for HB 2273
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education
Type: Original
Date: February 28, 2020

Bill Summary: This proposal prohibits public school membership in any statewide activities association that prohibits home school students from participating in any event or activity offered by the school district in which the student resides.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0 or (Unknown, could exceed \$100,000)	\$0 or (Unknown, could exceed \$100,000)	\$0 or (Unknown, could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** assume this proposal has no fiscal impact.

Officials from the **Wellsville-Middletown R-I School District** assume that this bill will have a negative fiscal impact on our school if we have to support the participation of a non-student in our MSHSAA activities without getting any ADA consideration for those students.

Officials from the **Gasconade County R-I School District** assume this proposal would reduce student accountability to the district.

Officials from the **Shell Knob School District** assume this bill has no impact.

In response to the similar 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 the similar 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 the similar 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 our district does allow these students to participate.

Oversight assumes school compliance with the provisions in this proposal, and that they will continue to receive state funding. Therefore, Oversight will not reflect a savings to the state from reduced foundation formula spending.

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; however, Oversight assumes that strictly home-schooled

ASSUMPTION (continued)

students would be ineligible to participate. 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.

Based upon the responses from various school districts, **Oversight** will show a range of impacts from \$0 to (Unknown cumulative fiscal impact that could exceed \$100,000) to school districts.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023

SCHOOL DISTRICTS

<u>Loss of Revenue</u> - prohibition of participation in a statewide activities association	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> - administrative cost to track and determine eligibility	\$0 or (Could exceed <u>\$100,000</u>)	\$0 or (Could exceed <u>\$100,000</u>)	\$0 or (Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	\$0 or (Unknown, could exceed <u>\$100,000</u>)	\$0 or (Unknown, could exceed <u>\$100,000</u>)	\$0 or (Unknown, could exceed <u>\$100,000</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill specifies that, school districts shall not receive funding under the Foundation Formula if such district is a member of, or remits any funds to, any statewide activities association that prohibits a home school student from participating in any event or activity offered by the school district, or requires a home school student to attend the public school for any portion of a school day in order to participate in any event or activity.

The Department of Elementary and Secondary Education (DESE) is required to withhold payments to districts in violation of this bill until such district proves to the State Board of Education (SBE) that the school district has ceased membership in the organization.

This bill further provides that a statewide activities association shall not prohibit or restrict any school district that is a member of the association from participating in any events authorized or regulated by the association with any school that is not a member of the association.

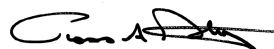
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Lee's Summit R-7 School District
Shell Knob School District
Sherwood-Cass R-VIII School District
Springfield Public Schools
Wellsville-Middletown R-1 School District



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February 28, 2020



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