

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4180H.03C
 Bill No.: HCS for HB 1995
 Subject: Department of Elementary and Secondary Education
 Type: Original
 Date: February 22, 2022

Bill Summary: This proposal provides for protections for parental rights and transparency in public schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$3,565,546 Up to \$4,186,137)	(\$608,028 to Could exceed (\$1,249,595)	(\$614,097 to Could exceed (\$1,262,064)
Total Estimated Net Effect on General Revenue	(\$3,565,546 Up to \$4,186,137)	(\$608,028 to Could exceed (\$1,249,595)	(\$614,097 to Could exceed (\$1,262,064)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Missouri Empowerment Scholarship Accounts Fund	\$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

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	Up to 17 FTE	Up to 17 FTE	Up to 17 FTE
Total Estimated Net Effect on FTE	Up to 17 FTE	Up to 17 FTE	Up to 17 FTE

- 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 2023	FY 2024	FY 2025
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 161.852 - Missouri Education Transparency and Accountability Portal

Officials from **Department of Elementary and Secondary Education (DESE)** assume this section requires DESE to create the “Missouri Education Transparency and Accountability Portal”, an internet-based tool to be a searchable database of every public school district’s curriculum, source materials, and professional development materials.

DESE assumes that curriculum and source materials would include, but not be limited to, textbooks, lectures, readings, textbooks, multimedia components, and other resources in a class. The collection, categorization, organization, and display of this information would require significant investment in the programming, storage, and maintenance of the portal. DESE will need to set up an entirely new platform and dedicate full time employee support for the day to day operations of the portal. An entirely new section, as described below, would be responsible for a majority of these duties. For the purposes of this fiscal note the Department will use the Food and Nutrition Services section as a model for the new section as DESE believes it would similarly constructed.

Department of Elementary and Secondary Education Transparency and Accountability

One (1) Coordinator of Transparency and Accountability - \$62,232
One (1) Data Systems Administrator - \$62,232
Two (2) Directors of Transparency and Accountability - \$102,576
One (2) Transparency and Accountability Analyst - \$80,496
One (1) Administrative Assistant - \$27,960
Ten (10) Regional Program Specialists - \$314,400

Upon further inquiry, **DESE** stated the 10 regional programs specialists would work with school districts to make sure they are uploading all the required information.

Oversight is uncertain if this proposal requires to DESE to ensure compliance by school districts. Therefore, Oversight will show a range of \$0 (ensuring compliance not required) up to the cost estimated by DESE for the 10 Regional Program Specialists FTE depending on the level DESE is engaged in ensuring compliance.

Per **DESE**, OA-ITSD costs could be up to \$3,000,000 to develop, program, and maintain a statewide database that would house the information required to be included in this database.

Oversight will show the costs to develop a statewide database as a one-time cost and will show the annual maintenance costs as unknown.

Section 161.851 - The Parents' Bill of Rights for Student Well-Being

Oversight assumes there could be administrative costs related to information and consent requests, notifications and staff training for school districts.

Oversight notes school district can charge a reasonable fee to produce copies of curriculum documents (section 161.851.9).

Section 161.853 - Legal Action against a School District

Oversight assumes there could be legal costs if the Attorney General's Office or parents bring legal action against a district.

Oversight did not receive any responses from school districts related to the fiscal impact of this proposal. Oversight notes this proposal states that school districts are to be fined \$1,000 per violation or \$10,000 per violation for knowingly violating sections 161.851 to 161.852. Oversight will show a range of impact to school districts of \$0 (no violations) to an unknown cost if districts are found to violate the provisions of this proposal (section 161.853.2).

Eighty percent (80%) of the proceeds of the violations are to be distributed to the Missouri Empowerment Scholarship Accounts Fund. Therefore, **Oversight** will show a range of impact to the Missouri Empowerment Scholarship Accounts Fund of \$0 (no penalty proceeds) to an unknown gain (section 161.853.3).

Section 170.355 - Private Right of Action

Oversight will show a range of impact for potential legal and other costs for a right of private action being brought against school districts for violating section 170.355.

Bill as a whole

Officials from the **Department of Health and Senior Services, Department of Higher Education and Workforce Development, Department of Mental Health, Department of Social Services** and the **Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations.

In response to the previous version, officials from the **Attorney General's Office, Department of Corrections, Office of Administration** and the **Office of the State Courts Administrator** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to the previous version, officials from the **City of Kansas City**, **City of Springfield**, the **University of Missouri System** and the **St. Charles Community College** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to the previous version, officials from the **University of Central Missouri** assumed the proposal would have an unknown fiscal impact on their organization; however, no additional information was provided.

Oversight received a limited number of responses from local political subdivisions 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, other local political subdivisions 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.

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 2023	FY 2024	FY 2025
GENERAL REVENUE			
<u>Costs - DESE - §161.852 - p.3</u>			
Personnel Service	(\$279,580)	(\$338,851)	(\$342,239)
Fringe Benefits	(\$174,959)	(\$211,170)	(\$212,402)
Expense & Equipment	<u>(\$111,007)</u>	<u>(\$58,007)</u>	<u>(\$59,456)</u>
<u>Total Costs</u>	<u>(\$565,546)</u>	<u>(\$608,028)</u>	<u>(\$614,097)</u>
FTE Change	7 FTE	7 FTE	7 FTE
<u>Costs - DESE - §161.852 - p.3</u>	0 or...	0 or...	0 or...
Personnel Service	(\$262,000)	(\$317,544)	(\$320,719)
Fringe Benefits	(\$200,011)	(\$241,155)	(\$242,309)
Expense & Equipment	<u>(\$158,581)</u>	<u>(\$82,867)</u>	<u>(\$84,938)</u>
<u>Total Costs - 10 Regional Specialists</u>	<u>(\$620,592)</u>	<u>(\$641,566)</u>	<u>(\$647,966)</u>
FTE Change	0 or 10 FTE	0 or 10 FTE	0 or 10 FTE
<u>Costs - DESE/ITSD - transparency and accountability portal - §161.852 - p.3</u>	<u>(\$3,000,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	(\$3,565,546 Up to <u>\$4,186,137</u>)	(\$608,028 to Could exceed <u>(\$1,249,595)</u>)	(\$614,097 to Could exceed <u>(\$1,262,064)</u>)
Estimated Net FTE Change on General Revenue	Up to 17 FTE	Up to 17 FTE	Up to 17 FTE

<u>FISCAL IMPACT – State Government</u> Continued	FY 2023	FY 2024	FY 2025
MISSOURI EMPOWERMENT SCHOLARSHIP ACCOUNTS FUND			
<u>Transfer In</u> - from school districts – 80% of penalty proceeds - §161.853.3 - p.4	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT ON MISSOURI EMPOWERMENT SCHOLARSHIP ACCOUNTS FUND	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023	FY 2024	FY 2025
SCHOOL DISTRICTS			
<u>Fee Revenue</u> - from school districts charging a fee for copies - §161.851.9 - p.4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - administrative costs for information and consent requests, notifications, staff training - §161.851 - p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - legal costs and penalties of \$1,000 or \$10,000 per violation - §161.853.2 - p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - legal and other costs stemming from a private right of action brought against school districts - §170.355 - p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	\$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 bill enumerates rights for parents in areas relating to education, health care, and mental health, and establishes "The Parents' Bill of Rights for Student Well-Being". Rights listed include the right to direct ethical, moral, and religious training, the right to enroll his or her child in a public, parochial, or home school, and the right to exempt his or her child from immunizations. Additional rights are listed in the bill.

The bill requires school districts to adopt a policy to promote parental involvement with detailed procedures as outlined in the bill including procedures for objection to instructional materials and for parental withdrawal from health education courses relating to human sexuality and sexually transmitted diseases.

The bill requires that the Department of Elementary and Secondary Education (DESE) develop specific forms that school districts must use for parents to opt out of instructional material, and for parents to be notified in advance whenever a teacher intends to teach a divisive or controversial topic.

The bill permits information that is required to be provided to parents to be delivered electronically and establishes a formal request process with specific time periods for superintendents to comply before an appeal process to the school board with details outlined in the bill. Parent's may also directly file formal objections with the school board and the bill establishes an appeal process to DESE for any denied objections and allows any DESE decision to be taken to the circuit court for a judicial review.

The bill outlines a penalty of \$1000 per violation and attorney fees for knowingly violations and \$10,000 per purposeful violation (Section 161.851 RSMo).

The bill establishes the "Missouri Education Transparency and Accountability Portal" which shall consist of an internet-based tool to give access to every school district's curriculum, source materials, and professional development materials. Details for the database are outlined and the Commissioner of Education shall establish forms for districts to complete. School districts are required to submit updates to any required information within five business days and the commissioner of education shall update the database portal weekly (Section 161.852).

The bill provides that the Attorney General's office has the right to bring legal action for violations of Sections 161.851 to 161.852, and provides a penalty provision for each violation up to \$10,000 for each knowing or purposeful violation. The bill provides that fines for violations will be divided with 20% going to the parents who brought the suit and 80% to be given to the

Missouri Empowerment Scholarship Fund. School district employees that disclose violations are protected from retaliation (Section 161.853).

This bill provides that no school or school employee shall compel teachers or students to discuss public policy issues without consent. The bill outlines additional ideas related to Title IV and VI of the Civil Rights Act of 1964 that teachers and students cannot be compelled to adopt, affirm, or profess including but not limited to: that individuals of any race, ethnicity, color, or national origin are inherently superior or inferior and that individuals, by virtue of their race, ethnicity, color, or national origin, bear collective guilt and are inherently responsible for actions committed in the past by other members of the same race, ethnicity, color, or national origin.

The bill prohibits schools from requiring nondisclosure agreements for parental review of curricula and provides for a complaint process to the Department of Elementary and Secondary Education for violations. Any school or school employee found to be in violation of this section may have a private right of action brought against them. (Section 170.355)

This bill contains an emergency clause and penalty provisions.

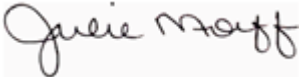
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION


Department of Elementary and Secondary Education
Attorney General's Office
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Corrections
Office of Administration
Department of Social Services
Office of the State Treasurer
Office of the State Courts Administrator
Office of the Secretary of State
Joint Committee on Administrative Rules
University of Missouri System
University of Central Missouri

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City of Kansas City
City of Springfield



Julie Morff
Director
February 22, 2022



Ross Strobe
Assistant Director
February 22, 2022