

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1917H.011
 Bill No.: HB 887
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
 Education; Science and Technology
 Type: Original
 Date: March 22, 2023

Bill Summary: This proposal establishes the Stem Career Awareness Activity Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	More or less than (\$161,063)	More or less than (\$161,063)	More or less than (\$161,063)
Total Estimated Net Effect on General Revenue	More or less than (\$161,063)	More or less than (\$161,063)	More or less than (\$161,063)

*Subject to appropriation.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Stem Career Awareness Activity Program 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 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** state, as written, this proposal would not have a direct fiscal impact on DESE as long as they could identify a vendor/provider outside of DESE. DESE believes this initiative (STEM Awareness for 9-12) does sound similar to our current STEM Awareness Program for middle level education, which requires an RFP for a vendor (pending appropriations), but the logistics of the RFP process could be facilitated by existing staff working with Office of Administration.

Oversight assumes the cost for a vendor 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
Average	\$161,063	\$160,685

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** did not respond to **Oversight's** request for fiscal impact for this proposal.

Oversight assumes the Office of the State Treasurer (STO) is provided with core funding to handle a certain amount of activity each year. Oversight assumes the STO could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the STO could request funding through the appropriation process.

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 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
Transfer Out – to the STEM Career Awareness Activity Program Fund - §161.264	More or less than (\$161,063)	More or less than (\$161,063)	More or less than (\$161,063)
ESTIMATED NET EFFECT ON GENERAL REVENUE	More or less than (\$161,063)	More or less than (\$161,063)	More or less than (\$161,063)
STEM CAREER AWARENESS ACTIVITY PROGRAM FUND			
<u>Transfer In</u> – from General Revenue - §161.264	More or less than \$161,063	More or less than \$161,063	More or less than \$161,063
<u>Income</u> – gifts, bequests or donations - §161.264	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - for a vendor to implement the statewide program - §161.264	More or less than (\$161,063)	More or less than (\$161,063)	More or less than (\$161,063)
ESTIMATED NET EFFECT ON THE STEM CAREER AWARENESS ACTIVITY PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<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 bill requires the Department of Elementary and Secondary Education (DESE) to establish the "STEM Career Awareness Activity Program" for grades 9-12. Beginning in the 2024-25 school year DESE may solicit proposals to provide the Program and by March 1, 2024 shall select a provider. The bill outlines requirements for providers which must present data demonstrating effectiveness in the following areas: teacher instruction on STEM-related subjects, increased student enrollment in four year STEM related fields, or increased participation in STEM related workforce upon graduation.

The bill outlines criteria for program providers, authorizes DESE to choose a 3rd party nonprofit entity to implement the Program, solicit proposals, and select a provider, and creates the "STEM Career Awareness Activity Fund".

Oversight assumes this program is similar to the STEM Career Awareness Program created in Section 161.261 (grades 6-8). The existing STEM Career Awareness Program targets grades six through eight, while this new program, the STEM Career Awareness Activity Program, targets grades nine through twelve.

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

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of the Secretary of State
Joint Committee on Administrative Rules

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