

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3790S.01I  
 Bill No.: SB 902  
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Attorney General; Children and Minors; State Treasurer; Appropriations; Law Enforcement Officers and Agencies; Emergencies  
 Type: Original  
 Date: January 22, 2024

Bill Summary: This proposal creates and modifies provisions relating to elementary and secondary education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	More or Less than (\$2,396,140 to \$8,693,122)	More or Less than (\$1,353,099 to \$7,935,222)	More or Less than (\$1,377,047 to \$7,995,415)
<b>Total Estimated Net Effect on General Revenue</b>	<b>More or Less than (\$2,396,140 to \$8,693,122)</b>	<b>More or Less than (\$1,353,099 to \$7,935,222)</b>	<b>More or Less than (\$1,377,047 to \$7,995,415)</b>

\*Oversight notes the costs to General Revenue include OA-ITSD costs, allocations to schools in the School Turnaround program and up to 29 FTE for the Department of Elementary and Secondary Education.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Missouri Empowerment Scholarship Accounts Fund	Could exceed (\$267,861) or Unknown	Could exceed (\$308,055) or Unknown	Could exceed (\$313,015) or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Could exceed (\$267,861) or Unknown</b>	<b>Could exceed (\$308,055) or Unknown</b>	<b>Could exceed (\$313,015) or Unknown</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
General Revenue - DESE	11 FTE up to 29 FTE	11 FTE up to 29 FTE	11 FTE up to 29 FTE
Missouri Empowerment Scholarship Accounts Fund - STO	Could exceed 4 FTE	Could exceed 4 FTE	Could exceed 4 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>15 FTE up to 33 FTE</b>	<b>15 FTE up to 33 FTE</b>	<b>15 FTE up to 33 FTE</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>(Unknown, could be substantial)</b>	<b>(Unknown, could be substantial)</b>	<b>(Unknown, could be substantial)</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** has requested additional information from the Department of Elementary and Secondary Education but did not receive a response at the time this fiscal note was completed.

Officials from the **Attorney General's Office** and the **Office of the State Courts Administrator** did not respond to **Oversight's** request for fiscal impact for this proposal.

**Oversight** has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency 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.

### Empowerment Scholarship Accounts Program (Sections 135.714 and 166.700)

Officials from the **Office of the State Treasurer (STO)** stated the MESAP Program is in its infancy and, therefore, would not feel comfortable expending current funds when they are needed for planned expansion of the program within its current statutory parameters. Removing the residency, IEP, and income requirements has the potential to exponentially expand the program. Concerning changes to 166.700: Provided the EAOs are able to raise enough donations to fund all applicants, the STO would need to hire additional personnel of at least 4 additional FTE, perhaps more, to handle daily processing and required reporting.

**Oversight** assumes this provision reduces the Missouri Empowerment Scholarship amount from the State Adequacy Target to ninety percent of the previous year's statewide average per-pupil funding. In addition, this proposal expands the definition of a qualified student.

**Oversight** assumes these provisions do not change the tax credit cap; however, Oversight notes this could increase participation in the program if the definition of qualified student is expanded and each student receives less money allowing more scholarships to be distributed. In addition, Oversight assumes the reduction in the scholarship award would produce a savings to the foundation formula for students that transfer that is greater than the scholarship cost per student.

**Oversight** will show will reflect an unknown savings to the foundation formula from this provision.

**Oversight** also notes that school districts may still be allowed to count students that transferred out in their weighted average daily attendance (ADA) count used in the foundation formula calculation. Section 163.036 states school districts may use an estimate of the weighted ADA for the current year, or the weighted ADA for the immediately preceding year, or the weighted ADA attendance for the second preceding year, whichever is greater. This could result in the state paying the district and paying for the scholarship in the same year for a student. However, since

Oversight is unable to determine which year each school district will use in future years to determine the amount of state aid each school district is entitled to (weighted ADA), Oversight will, for purposes of this fiscal note, assume the savings/losses will occur immediately.

Performance-Based School District Accountability Measures (Sections 160.423, 160.2900, 160.2902, 160.2904, 160.2906, and 161.092)

Officials from the **Department of Elementary and Secondary Education (DESE)** state section 160.2900.1 would require the development of a revised report card or Annual Performance Report (APR). This cost is included in the estimate from OA-ITSD.

Section 160.2900.5.(2) would require the development of a growth to proficiency measure. The minimum estimated cost to contract with another public institution or outside agency to determine calculation and ensure reliability would be \$500,000 based on prior contract costs.

Section 160.2904.1.(2) would allocate school improvement funds for LEAs that earn a D or F. Based on previous allocation to schools in the School Turnaround program DESE makes the following assumptions:

- \* Number of LEAs below 60% on the 2023 APR = 15
- \* Allocation for school per LEA = \$300,000
- \* Use same payment process as School Turnaround Act

Total cost for School Turnaround = **\$4,500,000** (\$300,000 x 15) (DESE is showing this cost to general revenue as a transfer would be required to the School Turnaround Fund.)

Section 161.092.2 requires DESE to review and monitor each school and district throughout the year to ensure that they are implementing the best practice standards outlined in the section and to ensure follow-up with necessary remediation. In order to complete these duties 12 Regional Improvement Supervisors would be required along with associated benefit and expense and equipment costs.

Officials from **Office of Administration – Information Technology** state there will be modifications to the annual performance report system. The project would take 1,404 hours at a contract rate of \$105 for a total cost of **\$147,420** with on-going support costs.

**Oversight** will range the FTE from 4 FTE as indicated in last year's response to HB 558 (2023) up to the 12 FTE indicated in this year's response.

Upon further inquiry, **DESE** stated, per section 160.2902, the Advanced Placement Exams and International Baccalaureate costs last year, DESE is making the assumption, since it does not state it, that the schools would be responsible for those costs.

The meeting and consultant costs DESE is assuming can be absorbed as of now. If multiple pieces of legislation with multiple requirements were to pass, DESE would seek those costs through the appropriations process.

**Oversight** will show a cost to local school districts for the Advanced Placement Exams and International Baccalaureate costs.

#### Section 160.423 – Charter Schools

In response to a similar proposal, HB 558 (2023), officials from the **Missouri Charter Public School Commission** stated, after reviewing this proposal, the Commission will require ongoing General Revenue support to comply with this statute. Currently, the Commission does not request General Revenue. For FY24, the Commission will require at least \$540,000 to comply with proposed legislation.

#### Additional Contract Services:

- Legal Services (varied depending on issue) - \$200,000 minimum
- Accreditation System Consultant – Parent Engagement System - \$100,000
- Accreditation System Consultant – Professional Standards - \$100,000
- Accreditation System Consultant – Instruction Practice Standards - \$100,000
- Profession Development for charter schools to insure compliance - \$40,000

The development and execution of a new accreditation system will require annual improvements and professional development. Furthermore, the other six (6) sponsors will need to create and deploy an accreditation system.

Finally, each operating charter school and their boards will need additional programs, policies, staff and practices to ensure compliance with the new system. These costs are not reflected in this fiscal impact statement, but most certainly exist.

In response to a similar proposal, HB 558 (2023), officials from the **Gordon Parks Elementary Charter School** stated this proposal could have a fiscal impact, but did not provide any additional information.

#### School Safety Assessments (Section 160.3250)

**Oversight** assumes this provision requires a school district or charter school to conduct a comprehensive school safety assessment every three years beginning July 1, 2026.

**Oversight** will show a potential cost for school districts to conduct a safety assessment beginning in FY 2027 and occurring every three years.

Participation of Certain Students in Public School Activities/FLEX Schools (Sections 161.670, 162.996, 162.1250, 166.700, 167.031, 167.061, 167.600, 167.619, 210.167, 210.211, 211.031, 452.375, 167.071, and 167.790)

In response to a similar proposal, HCS for SS for SCS for SB Nos 411 & 23 (2023), officials from the **DESE** assumed the provisions would have no fiscal impact on their organization.

Parents' Bill of Rights (Section 161.851)

**Oversight** assumes there could be administrative costs related to access and opt-out requests, notifications and staff training for school districts.

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

Section 161.852 - Searchable Database for Public School Curriculum and Source Materials

Officials from **Department of Elementary and Secondary Education (DESE)** assume this section requires the DESE to create an internet-based tool to be a searchable database 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 stand 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. Costs would include the IT development of the portal, salaries, benefits and related expense and equipment.

Department of Elementary and Secondary Education Transparency and Accountability

One (1) Coordinator of Transparency and Accountability  
One (1) Data Systems Administrator  
Two (2) Directors of Transparency and Accountability  
One (2) Transparency and Accountability Analyst  
One (1) Administrative Assistant  
Ten (10) Regional Program Specialists

**Oversight** is uncertain if this provision would require 10 Regional Program Specialists. Therefore, Oversight will range the cost for the 10 Regional Program Specialists from 0 to 10 FTE.

Officials from the **Office of Administration – Information Technology** estimate this would require the creation of a new app. The project would take 885.60 hours at a contract rate of \$105 for a total cost of \$92,988 with on-going support costs.

In response to a similar proposal, SB 158 (2023), officials from the **Office of Administration – Information Technology** stated it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. This project would have to be prioritized by DESE to be worked among DESE's other projects. ITSD assumes DESE shall develop a tool within the department's comprehensive data system that provides access to every school district's curriculum and professional development materials.

Not less than monthly, DESE shall update the tool with the information required by this section to be submitted by each school district and shall ensure that the tool is maintained as the primary centralized source of information about the curriculum and instructional materials used by public school districts. The MOSIS application and ETL process are what this estimate is for. The data must be collected and processed.

This is a major proposed bill that would require many modifications to the MCDS tool that is hosted by ITSD today. The data fed into this system would be from districts and must have processes in place for collection/reporting. While the proposal does state a few interfaces in this new app/portal, there's potentially a lot of data needed to be in the app/portal for viewing that is not gathered today in Annual Performance Reports (APRs) and such existing data collection processes. Assumptions made that most of this data is not collected today by DESE. School districts have means of reporting to DESE today, but the data gathered is limited for the needs of federal, state, and departmental requirements. The data would need to be expanded upon, so that this new portal could meet the requirements. This estimate is for the new portal and the data collection it needs to have and for the MOSIS changes, which is the systems district SIS systems upload data to today. ITSD estimates the project would take 32,400 hours.

32,400 hours at a contract rate of \$105 is estimated at \$3,402,000 with on-going support costs.

**Oversight** requested additional information from DESE but did not receive a response by the time this fiscal note was completed.

**Oversight** will assume the cost stated by DESE and OA-ITSD for this year's response. If this assumption is incorrect this would change the fiscal impact as presented in this fiscal note.

**Oversight** will show an unknown cost to local education authorities that could be substantial.

#### **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).

Twenty percent (20%) will be awarded to the parents and 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).

#### Student Attendance Plans (Section 167.031 and 167.061)

Officials from the **Office of the State Public Defender (SPD)** state per the recently released National Public Defense Workload Study, the new charge contemplated by this change to Section 167.031 and 167.061, which will impact SPD's child clients, would take approximately fourteen hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need for an additional attorney. Because the number of cases that will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel, and litigation expenses. However, if the charge was classified as a class D misdemeanor no jail time would be authorized and the cases would not qualify for SPD representation.

**Oversight** will show a range of impact of \$0 (no additional attorneys or core staff required) to an unknown cost for additional attorneys and core staff.

Officials from the **Missouri Office of Prosecution Services** 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.

#### Declarations of Intent to Home School (Section 167.042)

**Oversight** does not anticipate a material fiscal impact from this provision.

#### School Attendance Officers (Section 167.071)

**Oversight** does not anticipate a material fiscal impact from this provision.

#### Participation in Public School Activities (Section 167.790)

In response to a similar proposal, SB 835 (2022), officials from the **High Point R-III School District** assumed the proposal would not fiscally impact their organization.



In response to a similar bill, 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 a similar bill, 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 a similar bill, 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 their district does allow these students to participate.

In response to a similar bill, SB 130 (2019), officials from the **Wellsville-Middletown R-1 School District** assumed the proposal will have no fiscal impact on their organization.

**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. 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. Oversight will show a potential unknown cumulative fiscal impact to school districts.

#### Discussion of Certain Concepts and Beliefs in Public School (Section 170.355)

In response to a similar proposal, SB 158 (2023), officials from **DESE** stated section 170.355 will allow students, parents, or teachers to file a complaint with DESE regarding any violation of this section. In order to process these complaints, DESE will plan to hold hearings as outlined. Based on this proposed language, the Office of Governmental Affairs estimates costs of less than \$100,000. These costs which will be dependent on the number of hearings/appeals the State Board receives and will include:

- Hearing officer time for hearing and drafting recommendations for the State Board.
- Administrative assistant time to schedule hearings, provide notice to parties and any settlement negotiations.
- Court reporter costs.

For cost explanation purposes, the average cost for a teacher discipline hearing is \$566.55/hearing:

- Average of 3 hours of hearing officer time x average of \$58.08/hour
- Average of 7 hours administrative assistant time x \$31.08/hour

- Average of \$174.75 in court reporter costs/hearing.

DESE estimates between 1 and 10 hearings per year for a cost between \$566.55 and \$5,665.50.

In addition, **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.

### Responses to Legislation as a Whole

Officials from the **Department of Public Safety - Missouri Highway Patrol**, 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.

Officials from the **University of Missouri, Northwest Missouri State University, University of Central Missouri, Phelps County Sheriff's Office, Kansas City Police Department, Branson Police Department, St. Louis County Police Department**, each assume the proposal will have no fiscal impact on their organizations.

**Oversight** received a limited number of responses from school districts 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 the necessary approval to publish a new fiscal note. Oversight only reflects the responses received from state agencies and political subdivisions; however, school districts 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 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE</b>			
<u>Savings</u> – DESE – savings to the foundation formula from more students transferring to private schools §135.714 & §166.700	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - DESE/ITSD - modifications to annual performance report - §160.2900	(\$147,420)	(\$30,221)	(\$30,977)
<u>Costs</u> - DESE - contract development of growth to proficiency measure - §160.2900.5 (2)	(\$500,000)	\$0	\$0
<u>Costs</u> - DESE - Turnaround Provider Work - §160.2904.1 (2)	(\$0 to Could exceed \$4,500,000)	(\$0 to Could exceed \$4,500,000)	(\$0 to Could exceed \$4,500,000)
<u>Costs</u> – MCPSC – legal services, accreditation consultants and professional development - §160.423	(\$540,000)	(Unknown)	(Unknown)
<u>Costs</u> – DESE - §161.092			
Personnel Service	(\$195,600 to \$586,800)	(\$239,414 to \$718,243)	(\$244,203 to \$732,608)
Fringe Benefits	(\$125,882 to \$377,645)	(\$152,878 to \$458,633)	(\$154,734 to \$464,202)
Expense & Equipment	(\$62,368 to \$187,104)	(\$51,457 to \$154,371)	(\$52,486 to \$157,458)
<u>Total Costs</u> - DESE	(\$383,850 to \$1,151,549)	(\$443,749 to \$1,331,247)	(\$451,423 to \$1,354,268)
FTE Change - 12 Regional Improvement Supervisors	4 FTE up to 12 FTE	4 FTE up to 12 FTE	4 FTE up to 12 FTE
<u>Costs</u> - DESE/ITSD – create a searchable database - §161.852	(\$92,988)	(\$30,221)	(\$30,977)
<u>Costs</u> – DESE - §161.852			
Personnel Service	(\$381,560)	(\$467,029)	(\$476,370)
Fringe Benefits	(\$235,511)	(\$286,163)	(\$289,784)
Expense & Equipment	(\$109,145)	(\$90,050)	(\$91,850)

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<u>Total Costs - DESE</u>	(\$726,216)	(\$843,242)	(\$858,004)
<u>FTE Change</u>	7 FTE	7 FTE	7 FTE
<u>Costs – DESE - §161.852</u>	\$0 up to	\$0 up to	\$0 up to
Personnel Service	(\$539,200)	(\$659,981)	(\$673,180)
Fringe Benefits	(\$334,163)	(\$406,012)	(\$411,128)
Expense & Equipment	(\$155,920)	(\$128,642)	(\$131,215)
<u>Total Costs - DESE</u>	<u>(\$1,029,283)</u>	<u>(\$1,194,635)</u>	<u>(\$1,215,523)</u>
<u>FTE Change – 10 Regional Program Specialists</u>	0 up to 10 FTE	0 up to 10 FTE	0 up to 10 FTE
<u>Costs – SPD – additional attorneys and core staff - §167.031 and §167.061</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs - DESE - Hearings §170.355</u>	(\$5,666)	(\$5,666)	(\$5,666)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>More or Less than (\$2,396,140 to <u>\$8,693,122</u>)</b>	<b>More or Less than (\$1,353,099 to <u>\$7,935,222</u>)</b>	<b>More or Less than (\$1,377,047 to <u>\$7,995,415</u>)</b>
Estimated Net FTE Change on General Revenue	11 FTE up to 29 FTE	11 FTE up to 29 FTE	11 FTE up to 29 FTE
<b>MISSOURI EMPOWERMENT SCHOLARSHIP ACCOUNTS FUND</b>			
<u>Costs – STO - §135.714</u>	Could exceed	Could exceed	Could exceed
Personnel Service	(\$140,000)	(\$171,360)	(\$174,787)
Fringe Benefits	(\$104,327)	(\$126,495)	(\$127,824)
Expense & Equipment	<u>(\$23,533)</u>	<u>(\$10,200)</u>	<u>(\$31,212)</u>
<u>Total Costs - STO</u>	<u>(\$267,861)</u>	<u>(\$308,055)</u>	<u>(\$313,015)</u>
<u>FTE Change</u>	Could exceed 4 FTE	Could exceed 4 FTE	Could exceed 4 FTE
<u>Transfer In - from school districts – 80% of penalty proceeds - §161.853.3</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>ESTIMATED NET EFFECT ON MISSOURI EMPOWERMENT SCHOLARSHIP ACCOUNTS FUND</b>	<b>Could exceed (\$267,861) or <u>Unknown</u></b>	<b>Could exceed (\$308,055) or <u>Unknown</u></b>	<b>Could exceed (\$313,015) or <u>Unknown</u></b>
Estimated Net FTE Change on the Missouri Empowerment Scholarship Accounts Fund	Could exceed 4 FTE	Could exceed 4 FTE	Could exceed 4 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>LOCAL EDUCATION AGENCIES</b>			
Loss – of foundation formula dollars if students transfer to private schools - §135.714 & §166.700	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - Advanced Placement Exam Cost & International Baccalaureate Cost - §160.2902 – p.5	(Unknown, Could be substantial)	(Unknown, Could be substantial)	(Unknown, Could be substantial)
<u>Costs</u> – to conduct a safety assessment - §160.3250 – p.6	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Fee Revenue</u> - from school districts charging a fee for copies - §161.851.9 – p.7	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - administrative and data collection costs to implement provisions - §161.851 & §161.852 – p.8	(Unknown, could be substantial)	(Unknown, could be substantial)	(Unknown, could be substantial)
<u>Costs</u> - legal costs and penalties of \$1,000 or \$10,000 per violation - §161.853.2 – p.8	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<u>Loss of Revenue</u> - prohibition of participation in a statewide activities association - §167.790 – p.9-10	\$0 or (Unknown)	\$0 or (Unknown)	§\$0 or (Unknown)
<u>Cost</u> - administrative cost to track and determine eligibility - §167.790 – p.9-10	\$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.10	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL EDUCATION AGENCIES</b>	<b>(Unknown, could be substantial)</b>	<b>(Unknown, could be substantial)</b>	<b>(Unknown, could be substantial)</b>

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 and modifies provisions relating to elementary and secondary education.

**EMPOWERMENT SCHOLARSHIP ACCOUNTS PROGRAM (Sections 135.714 and 166.700)**

The act modifies the Empowerment Scholarship Accounts Program by providing that the maximum total grant amount to a scholarship recipient shall be equal to 90% of the previous year's statewide average per-pupil state funding allocated to school districts under current law, rather than the state adequacy target.

The act provides that scholarship recipients who are not required to take the statewide assessment tests under current law shall be given the opportunity to choose to take such assessment tests or nationally norm-referenced tests, rather than requiring such students to take such a test.

The act repeals provisions requiring a "qualified student", as such term is defined in the act, to live in a charter county or a city with at least 30,000 inhabitants and to either have an individualized education plan or be a member of a household whose total annual income does not exceed 200% of the income standard used to qualify for free and reduced-price lunch.

## PERFORMANCE-BASED SCHOOL DISTRICT ACCOUNTABILITY MEASURES

(Sections 160.423, 160.2900, 160.2902, 160.2904, 160.2906, and 161.092)

Under this act, the State Board of Education shall establish and implement an accountability system for all public schools and school districts and shall provide an annual accreditation status for each school and school district. Each charter school sponsor shall provide an annual accreditation status for each school it sponsors based on policies that are consistent with accreditation standards used by the State Board of Education. The Department of Elementary and Secondary Education, as well as each charter school sponsor, shall annually, prior to July 1st, determine the annual accreditation status for each school and school district based on verifiable accreditation data from the previous school year. The annual accreditation status of each school and school district shall be based on compliance with best practice standards, as defined in the act. After assignment of the school's or district's status, the Department and each charter school sponsor shall monitor the schools and districts to determine the status of the schools or districts for the following school year. If the Department or a sponsor determines during the course of the monitoring that a school or district may be in violation of a best practice standard, the head of the school as well the school board or governing body of a charter school shall be notified and given an opportunity to correct the violation.

Schools and school districts shall be assigned an annual accreditation status based on a determination by the State Board of Education or the charter school sponsor of the school's or district's compliance with any policies or rules establishing accreditation policies and best practice standards. Such status shall include "accredited", "provisionally accredited", or "unaccredited".

The State Board of Education shall develop a simplified annual school report card for each school district, public school, and charter school for the purpose of providing information about the school's or district's academic performance. The act repeals the current provision of law regarding report cards for schools. The State Board shall assign the duties of implementing the report to the Department or to a contracted private entity.

The State Board shall assign each public school, charter school, and school district a letter grade of "A", "B", "C", "D", or "F". The school's or school district's grade shall be based on evaluation of a number of factors described in the act relating to student scores on the annual statewide assessment, the percentage of students demonstrating growth towards proficiency on assessment of English language arts and mathematics, the percentage of students in high school earning a high school diploma in four years, and measures of college and career readiness. The act further sets forth the student assessment data to be utilized in determining the school's or school district's grade.

If a school or school district earns a grade of "D" or "F" for a school year, the Department or the charter sponsor shall provide the school or school district with a list of organizations that can provide specific, evidence-based turnaround services. The school or school district shall implement a plan for improvement that is approved by the Department or charter sponsor. If a

school or school district earns a "D" or "F" for three consecutive years, then students shall have the option of transferring to a nonresident school or district. For schools or school districts that earn a "D" or "F" for four consecutive years, the Department or charter sponsor shall choose a managing partner to lead the reorganization of the school or school district. Finally, if a school or school district earns a "D" or "F" for five consecutive years, the Department or charter sponsor shall consider school closures.

The Department shall prepare annual reports of the results of the accountability measures contained in this act.

#### SCHOOL SAFETY ASSESSMENTS (Section 160.3250)

The act requires every public school district and public charter school to develop and maintain a comprehensive school safety plan that addresses various aspects of school safety, including, but not limited to, emergency response procedures, crisis management, prevention of safety risks, and communication protocols. A school safety plan shall be developed in collaboration with local law enforcement, fire department, and emergency management officials.

To assist in the development of a school safety plan, a school district or charter school shall conduct a comprehensive school safety assessment every three years to assess the safety, security, accessibility, and emergency preparedness of school buildings and grounds. The school safety assessment shall be conducted in collaboration with local law enforcement, fire department, and emergency management officials. A comprehensive school safety assessment shall be conducted by more than one individual, including at least one individual who is not assigned to the facility being assessed, if the assessment is conducted by school district or charter school personnel.

The act outlines certain information that shall be assessed as part of a school safety assessment, including emergency response procedures, crisis management, risk prevention, and communication protocols.

The initial comprehensive school safety assessment for each school district and charter school shall be completed by July 1, 2026.

#### PARTICIPATION OF CERTAIN STUDENTS IN PUBLIC SCHOOL ACTIVITIES

(Sections 161.670, 162.996, 162.1250, 166.700, 167.031, 167.061, 167.600, 167.619, 210.167, 210.211, 211.031, 452.375, 167.071, and 167.790)

This act modifies the definition of "home school", creates a definition for "FLEX school", repeals provisions authorizing the appointment of school attendance officers, repeals provisions authorizing parents to submit a written declaration of intent to home school, and establishes provisions relating to the participation of certain students in public school activities.

#### FLEX SCHOOLS

(Sections 161.670, 162.996, 162.1250, 166.700, 167.031, 167.061, 167.600, 167.619, 167.790, 210.167, 210.211, 211.031, 452.375, 167.619, 167.071, and 167.790)



The act defines a "Family-Led Educational eXperience (FLEX) school" or "FLEX school" as a school that meets certain criteria that also apply to home schools, except that a FLEX school may enroll students who participate in the Missouri Empowerment Scholarship Accounts Program or activities offered by a public school district. The definition of "home school" is modified to exclude students who participate in such Program or activities. The act modifies certain provisions of law to include FLEX schools in provisions that also apply to home schools. The act also modifies the definition of "qualified schools" in provisions relating to the Empowerment Scholarship Accounts Program to include FLEX schools instead of home schools. However, any state laws or regulations that apply to the Empowerment Scholarship Accounts Program shall not apply to FLEX school students who do not participate in such program. The act specifies that no state agency shall have regulatory oversight or rulemaking authority over FLEX schools unless such oversight or authority is specifically delegated under state law.

Public schools, state agencies, state employees, and certain private entities shall not refer to FLEX schools or to publicly funded programs, including but not limited to virtual school programs, as "home schooling". Additionally, public schools, state agencies and employees, and certain private entities shall not refer to students who are enrolled in an attendance center of a public school district, students who are enrolled in full-time virtual school programs, students who receive education funding from the state of Missouri, or students who participate in the Missouri Empowerment Scholarship Accounts Program as "home schooled" students.

#### PROCEDURES AND PRACTICES FOR PUBLIC SCHOOLS AND SCHOOL DISTRICTS (Sections 161.851, 161.852, 161.853, and 170.355)

The act establishes provisions relating to procedures for public schools and school districts.

#### PARENTS' BILL OF RIGHTS (Section 161.851)

This act establishes "The Parents' Bill of Rights for Student Well-Being", which lists rights for parents relating to education, health care, and mental health. The act prohibits public schools and school districts from infringing on the rights of a parent to direct the upbringing, education, health care, or mental health of such parent's minor child without first demonstrating that the infringement is narrowly tailored to achieve a compelling state interest and such interest cannot be otherwise served by a less restrictive means. The act lists a number of specific related rights.

The act requires school districts to adopt a policy to promote parental involvement, including procedures to object to instructional materials and to withdraw a student from health education courses relating to human sexuality and sexually transmitted diseases.

The Department of Elementary and Secondary Education shall develop forms for school districts to use that allow a parent to object to, and opt out of, instructional materials. School districts may provide any information that a parent is entitled to access by publishing such information electronically in a reasonably accessible format. Further, the act establishes a formal request process with specific time periods for a superintendent to comply with such request, as well as an appeal process to the school board if a request is denied.

Nondisclosure agreements shall not be required in order for a parent to review curricula, and parents may make copies of curriculum documents. Each school board meeting pertaining to curricula shall be open to the public and allow for public comment.

Public schools and school districts are required to notify parents in a timely manner of all reported incidents pertaining to student safety as outlined in the act.

No employee of a public school or school district shall coerce or encourage a minor child to withhold information from the child's parent, with exceptions for suspected abuse or neglect.

A public school or school district shall not, when publishing or providing any information to a parent as required pursuant to the provisions of the act, publish or provide any personally identifiable information relating to any student other than a parent's own child in violation of the provisions of the federal Family Educational Rights and Privacy Act.

The Attorney General or any parent of a minor child enrolled in a public school may bring legal action against the school district in which the child is enrolled for violations of these provisions. If a school district or an employee is found liable, then such district or employee shall be fined \$1,000 for each violation. The penalty for a knowing or purposeful violation shall be \$10,000 for each violation. The proceeds of the fine shall be divided so that 20% will be awarded to the parent who brought the action and 80% will be awarded to the Missouri Empowerment Scholarship Accounts Fund. School district employees who disclose violations of the act shall be protected from any retaliation.

#### CURRICULUM AND PROFESSIONAL DEVELOPMENT MATERIALS

(Sections 161.852 and 161.853)

The act requires the Department of Elementary and Secondary Education to develop a tool, as described in the act, within the Department's comprehensive data system to give access to every school district's curriculum and professional development materials. The Department shall establish forms for school districts to complete. School districts are required to submit updates to any required information every six months and the Department shall update the tool monthly.

The Attorney General or any parent of a minor child enrolled in a public school may bring legal action against the school district in which the child is enrolled for violations of this provision. If a school district or an employee is found liable, then such district or employee shall be fined \$1,000 for each violation. The penalty for a knowing or purposeful violation shall be \$10,000 for each violation. The proceeds of the fine shall be divided so that 20% will be awarded to the parent who brought the action and 80% will be awarded to the Missouri Empowerment Scholarship Accounts Fund. School district employees who disclose violations of the act shall be protected from any retaliation.

#### STUDENT ATTENDANCE PLANS (Section 167.031)

Current law provides that the parent of a student who fails to attend school on a regular basis is guilty of a Class C misdemeanor. This act specifies that for students enrolled in a public school

district or public charter school, "on a regular basis" shall mean in compliance with the student attendance policy for the district or charter school, as provided in the act. The act requires every public school district and public charter school to establish a student attendance policy that defines the terms "excused absence" and "unexcused absence" and provides a system of accountability for unexcused absences. Such policy shall contain certain provisions intended to reduce unexcused absences, including mandatory meetings between the student's parent and the school principal, the school counselor, and the superintendent of the school district or the chief governing officer of the charter school. After certain conditions specified in the act are met, if a student continues to accrue additional unexcused absences, the student's parent or legal guardian shall be deemed to be guilty of a Class C misdemeanor.

#### DECLARATIONS OF INTENT TO HOME SCHOOL (Section 167.042)

The act repeals a provision authorizing parents to submit a written declaration of intent to home school their child to the recorder of deeds of the county where the child legally resides or to the superintendent of the public school district where the child legally resides.

#### SCHOOL ATTENDANCE OFFICERS (Section 167.071)

The act repeals a provision authorizing a seven-director school district to appoint a school attendance officer who has the powers of a deputy sheriff and may investigate claims of violations of the compulsory attendance law and arrest truant juveniles without a warrant.

#### PARTICIPATION IN PUBLIC SCHOOL ACTIVITIES (Section 167.790)

The act provides that a school district shall not be a member of, or remit any funds to, a statewide activities association that prohibits a student receiving instruction at a FLEX school or a full-time virtual school from participating in any event or activity offered by the school district in which the student resides or that requires such students to take any class at a public school in order to participate in such event or activity. The act further provides that a school district shall not prohibit a student receiving instruction at a FLEX school or a full-time virtual school from participating in any event or activity offered by the school district in which such student resides or require such student to take any class in order to participate in such event or activity.

A school district may establish an attendance policy for any rehearsals, practice sessions, or training sessions that are directly related to and required for participation in an event or activity. A school district may also require students to participate in components of instruction that are required for participation in fine arts activities, career and technical student organizations, or integrated cocurricular activities.

A statewide activities association shall not prohibit any member school district from participating in any event with a school that is not a member of the association.

Any school disciplinary policies and attendance policies shall be applied in the same manner to all students who participate in an event or activity. A school district shall not establish a separate disciplinary or attendance policy for students who receive instruction at a FLEX school or a full-time virtual school.

If a student whose academic performance or disciplinary status would preclude such student from eligibility to participate in extracurricular events or activities in the resident school district disenrolls from such school district in order to receive instruction at a FLEX school or a full-time virtual school, such student shall not be eligible to participate in public school events or activities in the district of such student's disenrollment for twelve calendar months from the date of disenrollment.

The parent of a FLEX school student shall oversee any academic standards relating to such student's participation in a public school event or activity.

Any records created pertaining to a FLEX school student or a full-time virtual school student shall be made confidential.

The act outlines certain criteria that FLEX school and virtual school students shall satisfy in order to be eligible to participate in public school activities in their district of residence. Such students shall provide proof of residency in the district in which they wish to participate in public school activities. They shall also adhere to the same behavior, responsibility, performance, and code conduct standards as do students who are enrolled in the district.

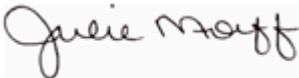
#### DISCUSSION OF CERTAIN CONCEPTS AND BELIEFS IN PUBLIC SCHOOLS (Section 170.355)

No school or school employee shall compel a teacher or student to discuss public policy issues without consent. No school or school employee shall compel a teacher or student to adopt, affirm, adhere to, or profess ideas in violation of federal civil rights laws including: 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. In addition to remedies brought under federal law, any school or school employee found to be in violation of this provision may have a private cause of action brought against them.

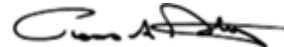
This legislation is not federally mandated and would not duplicate any other program.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Public Safety- Missouri Highway Patrol  
Office of the Secretary of State  
Office of the State Public Defender  
Office of the State Treasurer  
Joint Committee on Administrative Rules  
Missouri Office of Prosecution Services  
University of Missouri  
Northwest Missouri State University  
University of Central Missouri  
Phelps County Sheriffs Office  
Kansas City Police Department  
St. Louis County Police Department  
Branson Police Department



Julie Morff  
Director  
January 22, 2024



Ross Strobe  
Assistant Director  
January 22, 2024