

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4504H.06C
Bill No.: HCS No. 2 for HJR 110
Subject: Education, Elementary and Secondary
Type: Original
Date: May 5, 2022

Bill Summary: This resolution proposes a constitutional amendment relating to the parents' bill of rights.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	\$0 or (More than \$7,000,000)	\$0 or (\$3,565,546 to could exceed \$4,186,138)	\$0 or (\$608,028 to could exceed (\$1,249,594)
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,000,000)	\$0 or (\$3,565,546 to could exceed \$4,186,138)	\$0 or (\$608,028 to could exceed (\$1,249,594)

*The potential fiscal impact of “(More than \$7,000,000)” in FY 2023 would be realized **only** if a special election were called by the Governor to submit this joint resolution to voters. The other fiscal impacts would be realized if the joint resolution is approved by voters.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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	0 or Up to 17 FTE	0 or Up to 17 FTE	0 or Up to 17 FTE
Total Estimated Net Effect on FTE	0 or Up to 17 FTE	0 or Up to 17 FTE	0 or 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*	\$0 or (Unknown)	\$0 or (Unknown)

*Potential costs and state reimbursements net to zero in FY 2023 if a special election is called.

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

In response to the previous version, officials from **Office of the Secretary of State** assumed, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, the SOS estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of the publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Oversight has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2023. This reflects the decision made by the Joint Committee on Legislative Research that the cost of the elections should be shown in the fiscal note. The next scheduled statewide primary election is in August 2022 and the next scheduled general election is in November 2022 (both in FY 2023). It is assumed the subject within this proposal could be on one of these ballots; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2023.

Officials from **Department of Elementary and Secondary Education (DESE)** state this section requires DESE to make available all materials required to be available to parents under this section on the department website in a searchable electronic format. DESE assumes that the department would need to include at a minimum all curriculum and source materials, all guest lecturer materials, and staff training materials. This could 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. 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

Two (2) Transparency and Accountability Analysts - \$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.

DESE OA-ITSD assume costs could be up to 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. Oversight will show a range of cost of \$0 (the Joint Resolution is not passed by the voters) to the costs estimated by DESE beginning in FY 2024.

SEQ CHAPTER 10 Oversight assumes there could be additional costs to school district to make curricula, lesson plans, performance information, financial information and contract negotiations available in an electronically searchable format and available online. Oversight will show a range of cost of \$0 (either the Joint Resolution is not passed by the voters or the costs can be absorbed with existing resources) to an unknown cost beginning in FY 2024.

In response to the previous version, officials from **Gordon Parks Elementary Charter School** indicated there would be a fiscal impact from this proposal.

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, other 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 database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE			
<u>Costs - DESE p. 4</u>		\$0 or...	\$0 or...
Personnel Service	\$0	(\$279,580)	(\$338,851)
Fringe Benefits	\$0	(\$174,959)	(\$211,170)
Expense & Equipment	\$0	<u>(\$111,007)</u>	<u>(\$58,007)</u>
<u>Total Costs – DESE</u>	\$0	(\$565,546)	(\$608,028)
FTE Change	0 FTE	0 or 7 FTE	0 or 7 FTE
<u>Costs - DESE p. 4</u>		\$0 or ...	\$0 or ...
Personnel Service	\$0	(\$262,000)	(\$317,544)
Fringe Benefits	\$0	(\$200,011)	(\$241,155)
Expense & Equipment	\$0	<u>(\$158,581)</u>	<u>(\$82,867)</u>
<u>Total Costs - Regional Specialists</u>	\$0	(\$620,592)	(\$641,566)
FTE Change	0 FTE	0 or 10 FTE	0 or 10 FTE
<u>Costs - DESE/ITSD - transparency and accountability portal p. 4</u>	\$0	\$0 or (\$3,000,000)	\$0 or (Unknown)
<u>Transfer Out - SOS - reimbursement of local election authority election costs if a special election is called by the Governor p. 4</u>	\$0 or (More than <u>\$7,000,000</u>)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (More than <u>\$7,000,000</u>)	\$0 or (\$3,565,546 to could exceed <u>\$4,186,138</u>)	\$0 or (\$608,028 to could exceed <u>(\$1,249,594)</u>
Estimated Net FTE Change on General Revenue	0 FTE	0 FTE or Up to 17 FTE	0 FTE or Up to 17 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs</u> - School Districts - to make certain information available online in an electronically searchable format p. 4	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than \$7,000,000	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election if called for by the Governor	\$0 or (More than \$7,000,000)	\$0	\$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

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

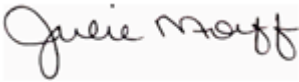
FISCAL DESCRIPTION

Upon voter approval, this proposed Constitutional amendment would add a new section to Article IX that would enumerate specific rights to parents of Missouri children in regards to education, established as "The Parents' Bill of Rights".

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

Office of the Secretary of State
Department of Elementary and Secondary Education



Julie Morff
Director
May 5, 2022



Ross Strobe
Assistant Director
May 5, 2022