

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4180H.01I  
Bill No.: HB 1995  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education,  
Department of  
Type: Original  
Date: January 10, 2022

---

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
General Revenue	(\$4,186,137)	(\$4,249,595)	(\$4,262,064)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$4,186,137)</b>	<b>(\$4,249,595)</b>	<b>(\$4,262,064)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Missouri Empowerment Scholarship Accounts Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</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 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
General Revenue	17 FTE	17 FTE	17 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>17 FTE</b>	<b>17 FTE</b>	<b>17 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 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 161.852

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

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.

Due to time constraints of receiving the DESE response late, **Oversight** was unable to adequately review and analyze the agency’s response before having to publish a fiscal note for the hearing. Oversight has presented this fiscal note based on the estimate provided by DESE. However, Oversight will continue to review to determine if an updated fiscal note should be prepared and seek the appropriate approval.

Officials from the **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** and the **Office of the State Courts Administrator** each assume the proposal will 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.

Officials from the **City of Kansas City**, **City of Springfield**, the **University of Missouri System** and the **St. Charles Community College** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **University of Central Missouri** assume the proposal will have an unknown fiscal impact on their organization; however, no additional information was provided.

**Oversight** assumes there could be administrative costs related to information and consent requests, notifications and staff training for school districts as well as 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 this proposal. Eighty percent (80%) of the proceeds of the violations are to be distributed to the Missouri Empowerment Scholarship Accounts Fund.

**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.

**Oversight** will show a range of impact to the Missouri Empowerment Scholarship Accounts Fund of \$0 (no penalty proceeds) to an unknown gain.

**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 that were received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in Oversight's database is available upon request.

#### Rule Promulgation

In response to similar proposals, officials from the **Joint Committee on Administrative Rules** assumed 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			
<b>GENERAL REVENUE</b>			
<u>Costs - DESE - §161.852</u>			
Personnel Service	(\$541,580)	(\$656,395)	(\$662,959)
Fringe Benefits	(\$374,970)	(\$452,326)	(\$454,711)
Expense & Equipment	(\$269,587)	(\$140,874)	(\$144,394)
Total Costs -	(\$1,186,137)	(\$1,249,595)	(\$1,262,064)
FTE Change			
<u>Costs - DESE/ITSD - transparency and accountability portal - §161.852</u>	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$4,186,137)</u></b>	<b><u>(\$4,249,595)</u></b>	<b><u>(\$4,262,064)</u></b>
Estimated Net FTE Change on General Revenue	17 FTE	17 FTE	17 FTE
<u>FISCAL IMPACT – State Government Continued</u>	FY 2023	FY 2024	FY 2025
<b>MISSOURI EMPOWERMENT SCHOLARSHIP ACCOUNTS FUND</b>			
<u>Transfer In - from school districts – 80% of penalty proceeds - §161.853</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
<b>ESTIMATED NET EFFECT ON MISSOURI EMPOWERMENT</b>			

<b>SCHOLARSHIP ACCOUNTS FUND</b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>
--------------------------------------	----------------------------------	----------------------------------	----------------------------------

<u>FISCAL IMPACT – Local Government</u>	FY 2023	FY 2024	FY 2025
<b>SCHOOL DISTRICTS</b>			
<u>Costs</u> - administrative costs for information and consent requests, notifications, staff training - §161.851	\$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	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

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 \$5000 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 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

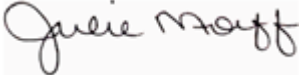
L.R. No. 4180H.01I

Bill No. HB 1995

Page 9 of 9

January 10, 2022


Joint Committee on Administrative Rules  
University of Missouri System  
University of Central Missouri  
City of Kansas City  
City of Springfield

A handwritten signature in black ink, appearing to read "Julie Morff", written over a light pink rectangular background.

Julie Morff

Director

January 10, 2022

A handwritten signature in black ink, appearing to read "Ross Strobe", written in a cursive style.

Ross Strobe

Assistant Director

January 10, 2022