

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3531-01
Bill No.: HB 1480
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Department
Type: Original
Date: January 29, 2008

Bill Summary: Allows the Department of Elementary and Secondary Education, at the discretion of the State Board of Education, to have authority over public school and private school extracurricular competitive activities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue*	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund*	\$0	\$0	\$0

Offsetting fee income and expenses are \$0 to \$5,500,000 in FY 09; \$0 to \$5,665,000 in FY 10; \$0 to \$5,834,950 in FY 11

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government*	\$0	\$0	\$0

***Offsetting savings and expenses are \$0 to \$5,500,000 in FY 09; \$0 to \$5,665,000 in FY 10; \$0 to \$5,834,950 in FY 11**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Senate** state this proposal either has no fiscal impact as it relates to their agency or minimal costs which can be absorbed by present appropriations.

Officials from the **Missouri House of Representatives** state this proposal will have no fiscal impact on their agency.

Officials from the **Office of Secretary of State (SOS)** assume 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 to the SOS office for Administrative Rules for this proposal is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal would give DESE the oversight and administrative functions currently held by the Missouri State High School Activities Association (MSHSAA). According to the report of Association Finances - General Operations from FY 1997 to FY 2007, total expenses for FY06-07 were \$5,507,065. Included in the total are expenses for rental space and salaries and benefits for 25 FTE.

The proposal would also allow DESE to charge fees associated with providing services and to participate in licensing arrangements that generate revenue to offset the cost of administration; however, DESE cannot estimate at what point it would generate such offsetting revenues.

Oversight assumes there would be revenues to DESE in the form of fees from school districts that have been diverted from MSHSAA to offset the expenses of DESE administration. Schools that formerly paid fees to MSHSAA would remit to DESE instead.

Oversight assumes that the language in the proposal is permissive and will, for fiscal note purposes only, range the fiscal impact from \$0 to total amount of expenses and revenues projected.

ASSUMPTION (continued)

This proposed legislation was sent to several school districts, none of which provided an estimate of fiscal impact, if any.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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GENERAL REVENUE

<u>Income</u> - DESE - Fee income from school districts	\$0 to \$5,500,000	\$0 to \$5,665,000	\$0 to \$5,834,950
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<u>Cost</u> - DESE - Administration of public and private school extracurricular activities	\$0 to (\$5,500,000)	\$0 to (\$5,665,000)	\$0 to (\$5,834,950)
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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LOCAL POLITICAL SUBDIVISIONS

<u>Savings</u> - School Districts - Discontinue paying fees the MSHSAA	\$0 to \$5,500,000	\$0 to \$5,665,000	\$0 to \$5,834,950
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<u>Cost</u> - Schools Districts - Fees to DESE	\$0 to (\$5,500,000)	\$0 to (\$5,665,000)	\$0 to (\$5,834,950)
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

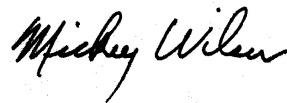
FISCAL DESCRIPTION

This proposal allows the Department of Elementary and Secondary Education (DESE), at the discretion of the State Board of Education, to take over the administration and oversight of public school extracurricular competitive activities, beginning with the 2009-2010 school year. DESE may also provide oversight and administration for any private school electing to have DESE provide such oversight. No public school may participate in an association that regulates these activities unless the association submits its rules and regulations to the Joint Committee on Administrative Rules, which may request the department's recommendations.

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

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Secretary of State
Administrative Rules Division
Missouri Senate
Missouri House of Representatives



Mickey Wilson, CPA
Director
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