COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0675H.03P
Bill No.: Perfected HS for HCS for HB 306
Subject: Elementary and Secondary Education, Department of; Education, Elementary and Secondary; Teachers
Type: Original
Date: March 30, 2021

Bill Summary: This proposal modifies provisions relating to expanding choices for educational opportunities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
General Revenue*	Could exceed ($3,460,389) to ($9,111,185)	Could exceed ($5,674,419) to ($23,709,351)	Could exceed ($4,286,929) to ($22,528,129)	Could exceed ($1,081,927) to ($5,856,916)
Total Estimated Net Effect on General Revenue	**Could exceed ($3,460,389) to ($9,111,185)**	**Could exceed ($5,674,419) to ($23,709,351)**	**Could exceed ($4,286,929) to ($22,528,129)**	**Could exceed ($1,081,927) to ($5,856,916)**

*The actual impact of the changes to the MOST program is dependent upon utilization. If a percentage of participants utilize the expansion (to include repayment of student loan debt) similar to those currently using the MOST program to fund K-12 and higher education, the lower estimates should be used. If utilization percentage is similar to those claiming student loan interest deduction on their tax returns, the larger estimates should be used. If a larger population of those with student loan debt utilize the program, Oversight used “could exceed”.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
Lottery Proceeds*	($2,050,736)	($2,050,736)	$0	$0
A+ Schools	$0	$0	$0	$0
Total Estimated Net Effect on Other State Funds	**($2,050,736)**	**($2,050,736)**	**$0**	**$0**

*The A+ program is subject to appropriations.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
Total Estimated Net Effect on <u>All</u> Federal Funds	**$0**	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
Total Estimated Net Effect on FTE	**0**	**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 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
Local Government	**$4,101,472**	**$4,101,472**	**$0 to could exceed ($6,888,675)**	**$0 to could exceed ($6,888,675)**

FISCAL ANALYSIS

ASSUMPTION

Section 160.545 – Protection for certain students' grade average

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state paragraph 3 of subsection 8 of section 160.545 in the proposed legislation, which deals with eligibility for the A+ scholarship program, directs the Department of Higher Education and Workforce Development to use the "highest available" high school grade point average for 2020 and 2021 high school seniors to meet the 2.5 GPA requirement to be eligible for the scholarship. In addition, the bill waives the regulatory requirement that students demonstrate college readiness by removing the requirement that they meet the established performance level on mathematics related end-of-course exams or the ACT alternative. The bill indicates this is intended to address academic problems students may have experienced as a result of the COVID-19 pandemic.

The current requirement is that a student must graduate from an A+ high school with a grade 9 through 12 cumulative GPA of at least 2.5 on a 4.0 scale (or its equivalent in another system). The department does not collect high school GPA data but instead relies on designated school districts to determine if the requirement is met. Since the department does not collect the GPA information, it is not possible to accurately determine the number of students that may be impacted by this change alone.

The bill also does not define highest available high school GPA. Consequently, it is not clear if this revised GPA requirement could be met through the student's highest semester GPA, their highest cumulative GPA at any time during their high school enrollment, or another, different approach to calculating a GPA. As a result, it is not clear if we could accurately determine the cost even if we possessed the GPA data currently used to make this determination.

With regard to the end-of-course exam requirement, data is not available regarding how many students are ineligible for the scholarship due to failure to achieve a score of proficient or advanced on any mathematics related end-of-course exam (Algebra I, Geometry, or Algebra II) or score at least a 15 on the ACT math subtest. Consequently, it is not possible to accurately project the impact of this individual component.

It is assumed very few, if any, of the 2020 high school graduates would take advantage of the GPA revision, if passed. By the time this legislation becomes effective, those individuals that were considered ineligible due only to failing to meet the GPA requirement would have moved on to other pursuits (study at a non-A+ participating institution, entered the workforce, etc.) and would be unlikely to enroll in a community college or career center.

In this proposal, language that is included states, “Any rule establishing a requirement that a student obtain a certain algebra end-of-course examination score or other applicable standardized test score, as determined by the department, shall not apply to a high school senior graduating in the 2020-21 school year;.” Given the bill sponsors interest in end-of-course examination, the department will note that it provided similar accommodations, although less expansive, in the spring of 2020 in response to the move to remote instruction due to the pandemic. Those accommodations gave high schools greater flexibility in what cumulative GPA could be used to meet that requirement and waived the end-of-course examination requirement for 2020 seniors. For further background, the cost of the program increased by approximately 18 percent over the previous year, resulting in the need for a supplemental appropriation for FY 2021.

Using the above information as an example of what the legislation could cost, but not knowing definitively, it is important to understand that because of a number of other factors influencing the cost of the program, it is necessary to adjust the FY 2021 increase in order to limit the projection for FY 2022 to the proposed legislative changes. Based on the change in cost between FY 2019 and FY 2020, which was ten percent, it is assumed that the impact of the department accommodations was approximately eight percent (18% - 10%). The present projected cost of the program for FY 2021 is $51,268,405.

Again, using the previous information above, the legislation could result in an eight percent increase in program cost and would result in an increase of $4,101,472 for FY 2022, resulting in a total program cost for FY 2022 of $55,369,877. Further, because the proposal is limited to 2020 and 2021 seniors, it is expected that program growth will resume a more typically pattern and there would be no additional impact from this proposal in FY 2023.

Officials from **Office of Administration - Budget and Planning (B&P)** state Section 160.545 changes the “A+ Schools Program” minimal grade average requirements for 2019-2020 and 2020-2021 to prevent students from being adversely affected by COVID. This section has no direct impact on B&P, no direct impact on general or total state revenues and will not impact the calculation pursuant to Article X, Sec. 18(e).

Oversight assumes the A+ Scholarship Fund may need additional appropriations because additional students could qualify for scholarships as a result of this proposal.

Per DHEWD’s website, **Oversight** notes that DHEWD has issued temporary guidance on reducing or suspending certain A+ Scholarship eligibility requirements for students during the 2019-2020 school year, FY 2020.

Oversight will show the cost as estimated by DHEWD ($4,101,472) to be transferred from the General Revenue (GR) Fund and the Lottery Proceeds Fund to the A+ School Fund to cover additional scholarships for students whose grade average is adversely affected by COVID19. This funding, in turn, would be transferred to 2-year colleges for students attending those institutions of higher education.

It is also noted that the A+ program is subject to appropriation; therefore, the annual appropriation to the A+ program may or may not increase due to this change.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

This provision contains an emergency clause.

<u>Section 162.720 Gifted Education</u>

Officials from **B&P** state Section 162.720 requires gifted education for any district or charter school if three or more percent of its students are determined to be gifted. Any teacher providing gifted services in districts or charters schools with an average daily attendance of more than three hundred and fifty students must be certificated in gifted education. Any teacher providing gifted services in districts or charter schools with an average daily attendance of equal to or less than three hundred and fifty students is not required to be certificated but must participate in at least six hours of professional development on gifted services. To the extent new appropriations are made from GR, resources otherwise available for other budget priorities might be reduced. This section shall apply to all school years ending on or before June 30, 2023. This section has no direct impact on B&P, no direct impact on general or total state revenues and will not impact the calculation pursuant to Article X, Sec. 18(e).

In response to a previous version of the proposal, officials from the **High Point R-III School District** assumed the proposal would not fiscally impact their schools.

In response to a similar proposal, from 2021 (SB 151), officials from the **Fordland School District** stated this would require additional funding to establish a gifted program.

In response to a similar proposal from 2020 (SB 645), officials from the **Hurley R-I School District** stated gifted programs are very expensive to run and for small school districts, the financial impact of creating sections for 3 or 4 students could be massive at varying grade levels.

In response to a similar proposal from 2020 (SB 645), officials from the **Shell Knob School District** assumed this proposal has a negative fiscal impact.

In response to a similar proposal from 2020 (SB 645), officials from the **Fayette R-III** school district said the annual cost of this proposal is $50,000, and would increase each year. It would be the cost to hire a gifted teacher plus any required assessments.

In response to a similar proposal from 2019, (HB 112), officials from the **Wellsville-Middletown R-1** School District assumed the proposal had the potential to have a substantial negative fiscal impact.

In response to a similar proposal from 2019, (HB 112), officials from the **Lee's Summit R-7 School District** assumed the proposal would be of no cost to the district because it has a state-approved program.

In response to a similar proposal from 2019, (HB 112), **Springfield Public Schools** assumed the cost to the district would be for additional professional development for non-certificated gifted teachers. The program already exists in our district but this change would create a mandate for districts. Additional cost above current expenditure is negligible.

Oversight notes, per information from DESE's 2019 Gifted Advisory Council (GAC) Biennial Report, 239 out of 528 Missouri school districts offered gifted programs in 2018, spending $42,968,610 for these programs. Also, per the report, the state reimburses $24,870,140 annually, which amount has remained static since 2006. Therefore, Oversight will assume the costs for this expansion will be borne by the school districts. DESE provided there were 37,475 identified students in Missouri, and that 5,199 identified students were unserved. However, the GAC reports and statistics from the National Center for Education Statistics show there are likely more unidentified unserved gifted students in Missouri.

Oversight estimates gifted spending is approximately $1,325 per gifted student ($42,968,610 / 32,276). If there are 5,199 unserved identified gifted students with a cost of $1,325 to educate, Oversight estimates **$6,888,675** to provide gifted education to every unserved identified gifted student.

Oversight notes that the GAC reports show that districts with gifted programs identify gifted students at higher rates than districts without gifted programs. Oversight does not have sufficient data to firmly estimate a specific number of unidentified unserved gifted students, but will create an instructive estimate based on national statistics.

Oversight notes that in 2014, The National Center for Education Statistics (NCES) found states identified 6.7% of their public school students as gifted. 6.7% of Missouri's 883,703 students is 59,208 gifted students. To match the NCES identified gifted student population average, Missouri would need to identify 11,335 ((.067 x 883,703) - 5,199 identified gifted students) more students as gifted. Furthermore, to provide gifted services to every currently identified and unidentified gifted student would cost $21,907,684 ((11,335 estimated unidentified gifted students + 5,199 identified gifted students) x $1,325 cost per student).

Alternately, **Oversight** will estimate the cost of each district establishing a gifted program. If the 289 districts without a gifted program each hired one $50,000 a year teacher to establish a gifted program, this proposal would have a $14,450,000 local net direct fiscal impact. Last, DESE recommends a maximum of 90 gifted students per full time teacher, which is a $6,000,000 direct fiscal impact for 120 teachers, but is likely low because that would likely require some districts to share a teacher.

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 that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight notes the proposal stipulates these changes start with school years starting on or after July 1, 2023. Therefore, Oversight will reflect a potential cost to school districts starting in FY 2024.

<u>Section 166.400 – Missouri Education Savings Program</u>

Oversight notes this section changes the name of the Missouri Education Savings Program to the Missouri Education Program.

Officials from the **Office of Administration – Budget & Planning Division (B&P)** state this proposed legislation renames the "Missouri Education Savings Program" to the "Missouri Education Program."

Officials from the **Missouri Department of Revenue (DOR)** state this proposed legislation changes the name of the Missouri Education Savings Program to the Missouri Education Program.

<u>Section 166.410 – Missouri Education Savings Program - Definitions</u>

Officials from **B&P** state this proposed legislation changes the definition of "eligible education institution" from those specified in Sections 529(e)(5), 529(c)(7), and 529(e)(3) to all references in Section 529. B&P notes that this would allow individuals to use the savings account program for student loan repayment.

Based on research, B&P determined that the average student loan in Missouri was between $29,613 and $35,400. Assuming individuals use a 10-year repayment plan the average annual repayment amount would be between $2,961.30 and $3,540. In Tax Year 2018, the most recent complete tax year data available, there were 255,000 tax filers that claimed the federal tax deduction for student loan interest. Therefore, B&P estimates that approximately $755,134,461 to $902,700,000 in deductions could be claimed under this provision.

However, deductions do not reduce revenues on a dollar for dollar basis, but rather in proportion to the top tax rate applied. Therefore, B&P will show the estimated impacts throughout the implementation of the tax rate reductions from SB 509 (2014).

	Current Law	Future Top Tax Rates		
Tax Rate	5.4%	5.3%	5.2%	5.1%
GR Loss - Low	($40,777,261)	($40,022,126)	($39,266,992)	($38,511,858)
GR Loss - High	($48,745,800)	($47,843,100)	($46,940,400)	($46,037,700)

B&P notes that this provision would take effect August 28, 2021; allowing individuals to use the savings account plan for four (4) months of Tax Year 2021. Therefore, B&P estimates that this proposed legislation will reduce Total State Revenue (TSR) and General Revenue (GR) by $13,592,420 to $16,248,600 in Fiscal Year 2022. Once SB 509 (2014) has fully implemented, this proposal could reduce TSR and GR by $38,511,858 to $46,037,700 annually.

Oversight notes B&P has estimated the impact(s) of individuals first contributing/depositing their (re)payment of student loan principle or interest into a 529 savings account, permitting them to recognize tax savings.

Oversight notes B&P's analysis suggests individuals will be on a ten (10) year repayment plan. After conducting independent research, Oversight assumes the average term of repayment of student loan(s) totals anywhere between twenty (20) and twenty-five (25) years (Oversight estimate).

Furthermore, **Oversight** notes individuals would **not** be able to deduct the average total student loan amount on their Missouri taxes. This proposed legislation caps the amount that is permitted to be (re)payed through a student's 529 savings account at $10,000.

Thus, Oversight anticipates the impact(s) of this section will increase for several years post implementation, and then decrease and flatten out afterwards.

Officials from the **Missouri State Treasurer's Office (STO)** state this section expands the MOST 529 Education Plan Program to allow for the repayment of student loans up to $10,000 per beneficiary.

STO anticipates this section will reduce state revenues by:
- $1,409,653 in Fiscal Year 2022
- $3,623,683 in Fiscal Year 2023
- $4,286,929 in Fiscal Year 2024
- $4,346,834 in Fiscal Year 2025 and Fiscal Year 2026
- $2,895,764 in Fiscal Year 2027
- $1,444,695 in Fiscal Year 2028
- $1,081,927 in Fiscal Year 2029 and each year thereafter.

Oversight notes STO anticipates a 4.13% participation rate among beneficiaries who will (re)pay their student loans through MOST 529 Education Savings accounts. Furthermore, Oversight assumes STO anticipates taxpayers will receive full benefit ($10,000) within 2.25 years.

Oversight assumes, based on independent research, that taxpayers with student loan debt would experience tax savings for a total of seven (7) tax years as a result of the $10,000 cap placed on the total amount permitted to be contributed/deposited into MOST 529 Education Savings accounts and used for such (re)payment.

Furthermore, Oversight assumes the participation rate of individuals who will first contribute/deposit their (re)payment of student loans, before actual payment is required, could be significantly higher.

This proposal would remove the language "529(e)(3)" and replace it with "529" of the Internal Revenue Code. 529 of the Internal Revenue Code allows for the repayment of principal and interest on student loans as an allowable expense. Therefore, a taxpayer would be allowed to run their student loan payment through their Missouri Education Savings Program Account (MOST account) and do it tax free.

Based on information from the Institute for College Access and Success, the average student loan debt in Missouri is $27,108. Assuming an annual tax rate of 5.3%, and based on the number of Missouri filers who claim the student loan interest deduction (255,000) this would result in over $36,490,500 loss to general revenue annually.

$27,000 student loan amount = $225 per month payment
X 5.3% tax rate
11.925 monthly tax loss
X12 months
$143.10 total tax loss per person per year
X 255,000
$36,490,500 loss to state

The Department notes this proposal would become effective August 28, 2021 and therefore only four months of payments would be claimed in FY 2022. The first full year of loss would occur in FY 2023.

Loss to General Revenue
FY 22 ($12,163,500)
FY 23 ($36,490,500)
FY 24 ($36,490,500)

This will have minimal administrative impact that can be absorbed by DOR.

Oversight notes DOR's analysis suggests individuals will be on a ten (10) year repayment plan. After conducting independent research, Oversight assumes the average term of repayment of student loan(s) totals anywhere between twenty (20) and twenty-five (25) years.

Oversight notes this section modifies the definition of "Eligible Educational Institution"

The current definition is "an institution of post-secondary education as defined in Section 529 (e)(5) of the Internal Revenue Code, and institutions of elementary and secondary education as provide din Section 529 (c)(7) and 529 (e)(3) of the Internal Revenue Code".

This section modifies the definition to define an "Eligible Educational Institution" as "an eligible educational institution as defined in Section 529 of the Internal Revenue Code".

Oversight notes this section modifies the definition of "Qualified Higher Education Expenses or Qualified Education Expenses".

The current definition is "the qualified costs of tuition and fees and other expenses for attendance at an eligible educational institution, as defined in Section 529 (e)(3) of the Internal Revenue Code.

This section modifies the definition to define "Qualified Higher Education Expenses" or "Qualified Education Expenses" as "the qualified costs of tuition and fees and other expenses for attendance at an eligible educational institution, as defined in Section 529 of the Internal Revenue Code, as amended".

Oversight assumes the changes in this section would allow individuals to first deposit/contribute the amount(s) of principal or interest applicable for qualified education loan (re)payment into established Missouri Educational Savings accounts (MOST accounts/529 accounts) prior to actual (re)payment of such loan. Such repayment would then be paid with the funds initially deposited/contributed into the participating individual's MOST account.

Oversight assumes this would permit such individuals to recognize Missouri tax savings while completing the obligations/terms of their qualified educational loan(s).

Per Section 166.435, amount(s) deposited/contributed to MOST accounts may be subtracted from the individual's Federal Adjusted Gross Income to determine the individual's Missouri Adjusted Gross Income. The maximum annual amount that may be subtracted cannot exceed $8,000 per taxpayer.

Oversight notes pre-tax subtraction from income do not reduce revenue(s) on a dollar-for-dollar basis. The estimated amount of deduction must be multiplied by the applicable tax rate to estimate the impact to state revenue(s).

Oversight assumes this section would become effective August 28, 2021 (Fiscal Year 2022). Therefore, Oversight assumes Fiscal Year 2022 would be impacted by this section for four (4) months.

Upon completing an independent analysis, Oversight assumes this section would reduce GR by the following amount(s):

Fiscal Year	Cost to GR
2022	$ 7,060,449
2023	$ 21,658,615
2024	$ 22,528,129
2025	$ 23,397,644
2026	$ 24,267,158
2027	$ 25,136,672
2028	$ 26,006,186
2029	$ 5,856,916
2030	$ 5,856,916

For purposes of this fiscal note, since B&P and DOR used what appears to be a term of repayment (10 years) less than what other sources suggest (20 – 25 years), and since STO's impacts are calculated using what appears to be a significantly low participation rate, Oversight will report the fiscal impact(s) of this section in amounts that "Could exceed" the impacts estimated by Oversight.

Legislation As A Whole

Officials from the **DESE** do not anticipate this proposed legislation will have a fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, for purposes of this fiscal note, Oversight will not report a fiscal impact for this organization.

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** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than $5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 their office can sustain with their core budget. Therefore, they reserve 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.

FISCAL IMPACT – State Government	FY 2022 (10 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2029)
GENERAL REVENUE FUND				
Costs – DHEWD §160.545 – potential additional appropriations for A+ Scholarships p. 3-6	($2,050,736)	($2,050,736)	$0	$0
Revenue Reduction – §166.410 & §166.435 – Subtraction From Federal Adjusted Gross Income For Contributions/Deposits Into 529/MOST Savings Accounts p. 8-12	Could exceed ($1,409,653) to ($7,060,449)	Could exceed ($3,623,683) to ($21,658,615)	Could exceed ($4,286,929) to ($22,528,129)	Could exceed ($1,081,927) to ($5,856,916)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	**Could exceed ($3,460,389) to ($9,111,185)**	**Could exceed ($5,674,419) to ($23,709,351)**	**Could exceed ($4,286,929) to ($22,528,129)**	**Could exceed ($1,081,927) to ($5,856,916)**
FISCAL IMPACT – State Government Continued	FY 2022 (10 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2029)

LOTTERY PROCEEDS FUND (0291)				
Costs – DHEWD §160.545 – potential additional appropriations for A+ Scholarships p. 3-6	($2,050,736)	($2,050,736)	$0	$0
ESTIMATED NET EFFECT ON THE LOTTERY PROCEEDS FUND	**($2,050,736)**	**($2,050,736)**	**$0**	**$0**
A+ SCHOOLS FUND (0955)				
Income – DHEWD §160.545 – potential additional appropriations for A+ Scholarships p. 3-6	$4,101,472	$4,101,472	$0	
Transfer-Out – to community colleges for A+ students p. 3-6	($4,101,472)	($4,101,472)	$0	
ESTIMATED NET EFFECT ON A+ SCHOOLS FUND	**$0**	**$0**	**$0**	

FISCAL IMPACT – Local Government	FY 2022 (10 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2029)
LOCAL POLITICAL SUBDIVISIONS				
Income – Community Colleges - §160.545 potential increased tuition payments p. 3-6	$4,101,472	$4,101,472	$0	$0
Costs - to School Districts - §162.720 requirement to establish gifted programs p. 6-8	$0	$0	$0 to could exceed ($6,888,675)	$0 to could exceed ($6,888,675)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	**$4,101,472**	**$4,101,472**	**$0 to could exceed ($6,888,675)**	**$0 to could exceed ($6,888,675)**

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Section 160.545 - A+ Scholarships

This provision requires the Department of Elementary and Secondary education to make rules regarding the minimal grade average (GPA) requirement to qualify for the A+ grant award that will only consider grade averages that do not have a negative change to a student's GPA from 2019-20 or 2020-21 due to the impact of "Covid19". Any rule establishing a requirement that a student obtain a certain algebra end-of-course examination score or other applicable standardized test score, as determined by the department, shall not apply to a high school senior graduating in the 2020-21 school year.

This provision includes an emergency clause.

Section 162.720 - Gifted Education

This provision requires school districts and charter schools to establish a state-approved gifted program if 3% or more of the students are determined to be gifted by July 1, 2023. By July 1, 2023, districts and charter schools with average daily attendance of more than 350 students are required to have a teacher certificated to teach gifted education. In districts with an average daily attendance of 350 or less any teacher providing gifted instruction shall not be required to be certified to teach gifted education but must participate in six hours per year of professional development paid for by the school district regarding gifted services.

Section 166.400 to 166.502 and 209.610 - Missouri Education Savings Program

This proposed legislation modifies the definition of an "eligible education institution" and changes the Missouri Education Savings Program to the "Missouri Education Program".

This proposed legislation modifies the definition of "eligible education institution" to include all eligible educational institutions, rather than just institutions of postsecondary education.

This proposed legislation modifies the definition of "qualified higher education expenses or qualified education expenses". This modification will allow individuals to first deposit/contribute the amount(s) of principal and/or interest applicable for qualified education loan (re)payment into established Missouri Educational Savings accounts (MOST accounts/529 accounts) prior to actual (re)payment of such loan.

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 Administration – Budget & Planning Division
Missouri Department of Elementary and Secondary Education
Missouri Department of Higher Education and Workforce Development
Missouri Department of Revenue
Missouri State Treasurer's Office
Office of the Secretary of State
Joint Committee on Administrative Rules
Fordland School District
High Point R-III School District
Springfield Public Schools
Lee's Summit R-7 School District
Wellsville-Middletown R-I School District

Fayette R-III School District

JLH:LR:OD

Schell Knob School District
Hurley R-I School District

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March 30, 2021

JLH:LR:OD