

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2087H.02C
Bill No.: HCS for HB 952
Subject: Education, Elementary and Secondary; Elementary and Secondary Education,
Department of
Type: Original
Date: April 29, 2021

Bill Summary: This proposal prohibits the use of the 1619 Project Initiative of the New York Times in the public schools of the state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
College & University Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	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
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from **Department of Higher Education and Workforce Development (DHEWD)** assume Section 8 of this legislation requires DHEWD to withhold a percentage of state funding if a state-supported 2-year or 4-year IHE fails to comply with the legislation. The impact is unknown as DHEWD does not know how many institutions this may impact.

Officials from the **Department of Elementary and Secondary Education** 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.

Oversight assumes this proposal limits the use of certain curriculums (including the 1619 Project) in school districts and institutions of higher education. If a school district fails to comply with this proposal, DESE is to withhold a maximum of ten percent of the monthly distribution of state formula funding to the education entity.

Oversight notes, per an [article](#) in the St. Louis Post-Dispatch, the University City School District utilized the 1619 Project in the Advanced Placement language arts class curriculum. Oversight notes the following monthly payment of state monies to the University City School District in the table below. If the school district failed to comply with the proposal, the state funding withheld is estimated at \$418,263 (based on a partial year of payments - 10 months).

Month	Monthly Payment	10% of Monthly Payment
July 2020	\$199,257	\$19,926
August 2020	\$426,874	\$42,687
September 2020	\$422,551	\$42,255
October 2020	\$377,927	\$37,793
November 2020	\$398,805	\$39,881
December 2020	\$428,030	\$42,803
January 2021	\$423,515	\$42,352
February 2021	\$417,779	\$41,778
March 2021	\$546,821	\$54,682
April 2021	\$541,073	\$54,107
Total	\$4,182,632	\$418,263

*Payments are based on a partial year as the May and June payments are not yet available.

Oversight is uncertain if any institutions of higher education are utilizing the curriculums prohibited by the proposal. Oversight notes the following state appropriations for institutions of higher education in FY 2020:

Institution	Appropriation
Community Colleges	\$143,570,515
State Technical College of Missouri	\$6,060,371
UCM	\$55,538,357
Southeast Missouri State University	\$46,079,469
Missouri State University	\$94,351,060
Lincoln University	\$17,779,873
Truman State University	\$41,860,322
Northwest Missouri State University	\$31,386,117
Missouri Southern State University	\$24,231,242
Missouri Western State University	\$22,521,755
Harris-Stowe State University	\$10,661,260
University of Missouri System	\$417,911,876

*Actual appropriations amounts may differ based on withholds.

Oversight assumes there could be a loss to colleges and universities that fail to comply with the requirements in the proposal. The penalty withheld would be ten percent of the distribution of state funding to the institution. Based amounts appropriated, a 10% penalty could exceed \$250,000.

Oversight received a limited number of responses from school districts, as well as colleges and universities 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, school districts, colleges and universities 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Revenue Gain</u> - from funding withheld from school districts and charter schools for violating section 170.352	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> - from funding withheld from colleges and universities for violating section 170.352	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> - from funding withheld from community colleges for violating section 170.352	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
COLLEGE & UNIVERSITY FUNDS			
<u>Loss</u> - funding withheld for violating section 170.352	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> - School Districts & Charter Schools - funding withheld for violating section 170.352	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - Community Colleges - funding withheld for violating section 170.352	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL IMPACT – Small Business

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

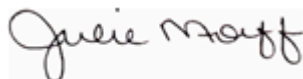
FISCAL DESCRIPTION

This bill prohibits public schools or institutions of higher education from teaching, using, teaching, promoting, or providing students the critical race theory as part of the curriculum, course materials, or instruction.

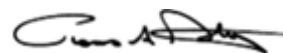
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education and Workforce Development
 Department of Elementary and Secondary Education



Julie Morff
 Director
 April 29, 2021



Ross Strobe
 Assistant Director
 April 29, 2021