

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1387H.011
Bill No.: HB 447
Subject: Department of Social Services; Education, Elementary and Secondary
Type: Original
Date: January 24, 2023

Bill Summary: This proposal modifies provisions regarding adult high schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Budget Stabilization Fund (0522)	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Potential income and costs range from \$0 to \$500,000 annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§160.2705; §160.2720 and §160.2725 – Changes provisions regarding adult high schools

Officials from the **Department of Social Services (DSS)** state, as DSS currently provides funding to the adult high schools through the budget process, pays invoices, provides monitoring, technical assistance and oversight, this can be accomplished with existing staff.

Four adult high schools are already in existence and DSS would release a request for proposal for bid to establish the fifth adult high school, subject to appropriation.

Therefore, this fiscal note is no impact to DSS.

Oversight does not have any information to the contrary. Oversight notes the funding for the four adult high schools already in existence under the Missouri Work Program – Adult High School Expansion (Excel Centers) is \$2 million appropriated from the Budget Stabilization Fund (0522). The State Treasurer’s Office describes the Budget Stabilization Fund (0522) as “a federal account for the purpose of tracking and distributing moneys related to increased Medicaid earnings received by the state as part of the COVID-19 public health emergency.” The current funding for the four Adult High School Expansion (Excel Centers) is entirely federal funds.

Oversight also notes that contract costs for a fifth Adult High School Expansion (Excel Center) could be up to \$500,000 higher than the currently appropriated \$2 million for four adult high schools and/or that appropriations from the Budget Stabilization Fund (0522) could be increased to accommodate the increased expenditures for an additional adult high school. Therefore, Oversight will reflect an annual fiscal impact of \$0 to (\$500,000) to the Budget Stabilization Fund (0522) in the fiscal note.

Officials from the **Department of Corrections**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **St. Charles Community College** and the **University of Missouri System** 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other schools, and colleges were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the MOLIS database is available upon request.

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 (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 2024 (10 Mo.)	FY 2025	FY 2026
FEDERAL FUNDS			
<u>Income</u> - Budget Stabilization Fund (0522) reimbursement for Excel Centers	\$0 to \$416,667	\$0 to \$500,000	\$0 to \$500,000
<u>Cost</u> - Budget Stabilization Fund (0522) expenditures for Excel Centers	\$0 to (\$416,667)	\$0 to (\$500,000)	\$0 to (\$500,000)
ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
*Range represents potential increase in program costs due to expanding number of Excel Centers.			

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

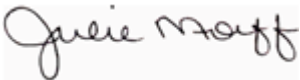
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

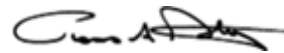
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Corrections
Department of Social Services
Joint Committee on Administrative Rules
Office of the Secretary of State
St. Charles Community College
University of Missouri System



Julie Morff
Director
January 24, 2023



Ross Strobe
Assistant Director
January 24, 2023