

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3954H.011
 Bill No.: HB 1717
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Children and Minors
 Type: Original
 Date: January 25, 2024

Bill Summary: This proposal provides A+ scholarships for home school students who meet the program's eligibility requirements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	\$0 to (\$2,100,000)	\$0 to (\$2,200,000)	\$0 to (\$2,300,000)
Total Estimated Net Effect on General Revenue	\$0 to (\$2,100,000)	\$0 to (\$2,200,000)	\$0 to (\$2,300,000)

* Increase in A+ scholarships subject to appropriation.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0 to \$2,100,000	\$0 to \$2,200,000	\$0 to \$2,300,000

FISCAL ANALYSIS

ASSUMPTION

§160.545 – A+ Scholarships for home school students

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state data from the U.S. Census Bureau's Household Pulse Survey indicates that in the state of Missouri, 85.3 percent of students attend a public school and 7.7 percent are homeschooled for Academic Year (AY) 2024. If the 61,000 estimated graduates from public schools comprise 85.3 percent of all graduating students, the DHEWD estimates that there will be roughly 5,500 homeschooled students completing their studies in AY 2024.

Of those students, historical data from the National Center for Education Statistics (NCES) indicates that 80 percent of recent graduates will remain in the state (4,440), and the department has historically estimated that roughly 50 percent of recent graduates are A+ eligible (2,200). Data from the Department of Elementary and Secondary Education indicate that, over the past five years, 25 percent of recent graduates, on average, attend a community college. Applying these percentages to this population, the department believes that 551 homeschooled students will be eligible for A+ for a total of \$2.1 million (the average A+ award in FY2023 was \$3,750). The department estimates that the fiscal impact for FY 2025 is between zero and \$2.1 million. Assuming an annual inflationary increase of five percent per year, the costs for FY 2026 would range from zero to \$2.2 million and for FY 2027 would range from zero to \$2.3 million.

Oversight has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as provided by the DHEWD. Since any funding is subject to appropriation, Oversight will present costs to the General Revenue Fund as a range from \$0 (no funding) to the amount provided by DHEWD (fully funded). Oversight will also present a positive fiscal impact (increase in funding due to scholarships) to Community Colleges as \$0 to the amount provided by DHEWD.

Officials from the **Department of Elementary and Secondary Education** and the **Missouri National Guard** 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.

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.

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

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE FUND			
<u>Costs – DHEWD (\$160.545) – A+ scholarships for home-schooled graduates</u>	\$0 to (\$2,100,000)	\$0 to (\$2,200,000)	\$0 to (\$2,300,000)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 to</u> <u>(\$2,100,000)</u>	<u>\$0 to</u> <u>(\$2,200,000)</u>	<u>\$0 to</u> <u>(\$2,300,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL GOVERNMENTS – COMMUNITY COLLEGES			
<u>Income – Community Colleges (\$160.545) – A+ scholarships for home-schooled graduates</u>	\$0 to \$2,100,000	\$0 to \$2,200,000	\$0 to \$2,300,000
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0 to</u> <u>\$2,100,000</u>	<u>\$0 to</u> <u>\$2,200,000</u>	<u>\$0 to</u> <u>\$2,300,000</u>

FISCAL IMPACT – Small Business

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

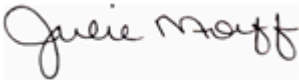
FISCAL DESCRIPTION

This bill expands the A+ Schools Program grant awards for tuition reimbursements to home school students beginning in the 2024-25 school year. To qualify for reimbursement home school students must meet the specified requirements similar to those of a public or private school recipient.


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
Missouri National Guard
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
January 25, 2024



Ross Strobe
Assistant Director
January 25, 2024