

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4900H.011  
 Bill No.: HB 2630  
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Children and Minors  
 Type: Original  
 Date: February 12, 2024

Bill Summary: This proposal modifies provisions governing school antibullying policies.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	More or Less than (\$1,823,926)	More or Less than (\$321,043)	More or Less than (\$325,663)
<b>Total Estimated Net Effect on General Revenue</b>	<b>More or Less than (\$1,823,926)</b>	<b>More or Less than (\$321,043)</b>	<b>More or Less than (\$325,663)</b>

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

Numbers within parentheses: () indicate costs or losses.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
General Revenue	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this legislation requires DESE to withhold school district funding for failure to take certain actions in regard to bullying students.

Section 160.775.7(1)(a) requires DESE to withhold 10% of the school district's monthly foundation formula for failure to report a bullying incident. This 10% is to be released by DESE in accordance with subdivision (b) after the school district or charter school demonstrates evidence of compliance if compliance is achieved within the same school year.

Section 160.775.7(2)(b) further requires a withholding SAT multiplier based on the number of incidents the school district failed to report.

Section 160.775.8(1) requires DESE to withhold SAT times the number of bullying incidents per student that occur more than once in a single semester.

Section 160.775.8(2) cancels out subdivision (1) if the school district demonstrates that the bullying student received meaningful discipline and referral to counseling.

DESE currently does not collect information regarding bullying incidents and would require modifications to their data collection systems (i.e. MOSIS (student level data collection system) and CORE (school district/building level data collection system where student information is de-identified) to comply with DESE's requirements in this legislation. Further, school districts currently report MOSIS and CORE information in multiple submissions throughout the year. DESE believes this legislation would require at least monthly MOSIS/Core reporting and possibly reporting in a real time manner. Further, DESE would need a secondary system to track correspondence concerning the resolution/compliance. DESE would require modifications to the state aid payment system to track the withholding and do potential release of withholding.

DESE is a consolidated agency under OA-ITSD. Detailed IT costs are not available due to the short timeframe given to respond to this fiscal note. DESE has requested IT estimates and may revise this fiscal note upon receipt of their estimates.

DESE estimates the following cost impact from the sections listed in first paragraph:

(1) changes to MOSIS and CORE data systems - \$100,000 to unknown cost to collect the bullying data (one-time system changes in first year, ongoing maintenance costs unknown). This does not include the cost to build reporting for internal use for compliance and monitoring.

(2) modifications the state aid payment system - \$500,000 to unknown cost (one-time system

changes in first year, ongoing maintenance costs unknown) plus 1 FTE (Director) at \$74,808 and related E&E of \$17,695 to monitor payment withholding, release of withholding, and address school district inquiries on payment. The potential impact of withholdings to foundation formula is unknown since DESE currently does not collect data on bullying.

(3) secondary tracking/monitoring system to allow for monitoring compliance - \$1,000,000 to unknown cost (one-time system changes in first year, ongoing maintenance costs unknown) plus 1 FTE (Director) at \$74,808 and related E&E of \$17,695.

This legislation does not include an implementation date. DESE would not be able to implement this by August 28, 2024, and needs at least a year to implement this. The above estimates are based on at least a year to implement. Efforts to implement this in less than a year would increase the above costs and may impact the accuracy of reporting.

**Oversight** notes upon further inquiry with DESE, the above estimates are from the department. Officials from the Office of Administration ITSD (OA-ITSD) were not consulted for the fiscal impact of this proposal. Oversight is uncertain of the accuracy for the IT portion of this estimate. For purposes of this fiscal note, Oversight will reflect DESE's assumption as more or less than. However, should this assumption be incorrect, this would change the impact presented in this fiscal note.

**Oversight** notes section 160.775.7 states DESE shall withhold ten percent of all moneys provided by monthly distribution of state formula funding to school district or charter school until they are in compliance with sections 160.621 and 167.117. Therefore, Oversight will show a range of impact of \$0 (no withholds) or an unknown savings to General Revenue with the corresponding loss to school districts.

**Oversight** assumes there could be costs for school districts if the Attorney General's Office or a parent brings a civil action against district. Oversight will show a range of impact of \$0 or unknown cost.

**Oversight** assumes there could be unknown costs for school districts to implement this proposal, such as costs for training for employees, to implement programs and other initiatives to address bullying. Oversight will show an unknown cost to school districts.

Officials from the **Office of Administration, Office of the State Public Defender, Missouri Office of Prosecution Services, and Office of the State Courts Administrator** each 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.

Officials from the **Attorney General's Office** did not respond to **Oversight's** request for fiscal impact for this proposal.

**Oversight** received no 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 approval to publish a new fiscal note. Oversight only reflects the responses received from state agencies and political subdivisions; however, school districts 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
<b>GENERAL REVENUE</b>			
<u>Savings</u> - state withholding ten percent of state funding for noncompliance - §160.775.7	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> – DESE/ITSD – modifications to MOSIS, CORE, state aid payment system, & development of secondary tracking system	More or Less than (\$1,600,000)	More or Less than (\$60,000)	More or Less than (\$60,000)
<u>Costs</u> - DESE			
Personnel Service	(\$124,680)	(\$152,608)	(\$155,660)
Fringe Benefits	(\$73,358)	(\$89,189)	(\$90,372)
Expense & Equipment	(\$25,888)	(\$19,246)	(\$19,631)
<b>Total Costs – DESE</b>	<b>(\$223,926)</b>	<b>(\$261,043)</b>	<b>(\$265,663)</b>
FTE Change	2 FTE	2 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>More or Less than (\$1,823,926)</b>	<b>More or Less than (\$321,043)</b>	<b>More or Less than (\$325,663)</b>
Net FTE Change for General Revenue	2 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>SCHOOL DISTRICTS</b>			
<u>Loss – DESE withholding ten percent of state funding for noncompliance - §160.775.7</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs – for court costs, attorney fees and damages - §§160.775</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs – to implement antibullying polices</u>	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill requires that school districts expand the current definition of harassment to include bullying that meets the level of harassment as a reportable offense to law enforcement (Section 160.261, RSMo).

The bill adds the use of offensive racial epithets and excludes self-defense from the definition of bullying. School district policies on bullying are also modified and include written documentation of each report, procedures for investigations, and intervention on behalf of the bully.

If a school district or charter school fails to report bullying incidents, the Department of Elementary and Secondary Education will withhold 10% of monthly funding until the school is in compliance. Districts or charter schools that do not provide intervention or follow procedures on bullying will have money withheld in the amount of the State adequacy target multiplied by the number of failures. Multiple occurrences of bullying in a single semester by a student will also result in a financial penalty.

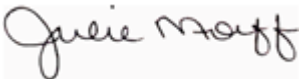
The bill provides for protection from civil liability for school districts, charter schools, and the employees of the district or charter school if procedures are properly followed (Section 160.775).

The bill adds bullying to the list of offenses that are reportable to law enforcement and adds the Commissioner of Education for the Department of Elementary and Secondary Education and the governing board of a charter school to the current list for which reporting must occur. School officials that neglect or refuse to perform the reporting requirements must be referred to the State Board of Education for disciplinary proceedings to include suspension of such individual's certificate (Section 167.117).

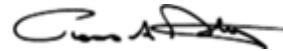
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Missouri Office of Prosecution Services  
Office of the State Courts Administrator  
Office of the State Public Defender  
Office of Administration



Julie Morff  
Director  
February 12, 2024



Ross Strobe  
Assistant Director  
February 12, 2024