

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0656H.01I
 Bill No.: HB 32
 Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education
 Type: Original
 Date: February 4, 2025

Bill Summary: This proposal lowers the age for adult high schools from 21 to 18.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 up to (\$146,470)	\$0 up to (\$292,940)	\$0 up to (\$439,410)
Total Estimated Net Effect on General Revenue	\$0 up to (\$146,470)	\$0 up to (\$292,940)	\$0 up to (\$439,410)

*Cost for DESE to provide childcare services for newly eligible participants in Adult High Schools.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§ 160.2700, 160.2705 and 160.2710 - Adult high school defined

Officials from the **Department of Elementary and Secondary Education (DESE)** state that DESE currently provides childcare services to participants in Adult High Schools. Assuming the average participation in Adult High School is 191 students/month, the average cost per child is \$639.05/month. DESE assumed a 10% increase for year one (\$146,470), 20% year two (\$292,940) and 30% increase year three (\$439,410).

Current Contract Amount: \$1,464,700

Oversight is uncertain if the costs estimated by DESE would be realized. Therefore, Oversight will assume a range of impact of \$0 up to the costs estimated by DESE.

Officials from the **Department of Social Services (DSS)** state the Children's Division (CD) would not see an increased cost and the Family Support Division (FSD) believes the costs would be negligible. Therefore, DSS assumes 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 DSS.

Officials from the **Department of Corrections**, the **Department of Higher Education and Workforce Development**, the **Joint Committee on Administrative Rules**, the **Office of the Secretary of State** and the **University of Missouri System** 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.

Oversight notes DSS presented the following information in the [FY26 DSS Programs Book](#):

The Department of Social Services (DSS) administers funding for the Adult High School (Excel Centers), which were bid through the Department of Education and Secondary Education (DESE) and awarded to MERS Goodwill. The Excel Centers offer public high school for adults 21 and over through flexible class schedules, supportive relationships with staff, and a life coach who works with students to find solutions for life's challenges that could hinder progress. While earning their diploma, students earn college credits and a variety of industry-recognized certifications in order to increase their earning potential. Excel Centers provide a free drop-in center for child care, transportation assistance, extended hours and year-round operations to support students as they work toward the goal of earning a diploma.

Excel Center Enrollments:

FY 2022	1,206
FY 2023	1,310
FY 2024	1,547

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 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
Costs - DESE (§§ 160.2700 and 160.2710) Increased childcare services p. 3	\$0 up to (\$146,470)	\$0 up to (\$292,940)	\$0 up to (\$439,410)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 up to (\$146,470)</u>	<u>\$0 up to (\$292,940)</u>	<u>\$0 up to (\$439,410)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small business childcare facilities could be impacted as a result of this proposal.

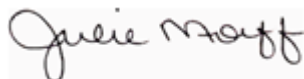
FISCAL DESCRIPTION

Currently to enroll in an adult high school as outline in sections 160.2700 to 160.2725 an individual must be 21 years of age. This bill changes the age for enrollment for adult high schools in the state to 18. (§§ 160.2700, 160.2705 and 160.2710)

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
University of Missouri System



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February 4, 2025



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