

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1736H.01I
Bill No.: HB 1386
Subject: Department of Elementary and Secondary Education; Education, Elementary and Secondary; Mental Health; Department of Mental Health; Alcohol; Drugs and Controlled Substances
Type: Original
Date: March 10, 2025

Bill Summary: This proposal expands provisions governing pilot recovery high schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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

Section 167.850 - Recovery High Schools

Officials from **Department of Elementary and Secondary Education (DESE)** assume the proposal will have no fiscal impact on their organization. At this time DESE does not expect to become a sponsor and will show no impact. Should DESE become a sponsor of a recovery high school, additional FTE would be needed and DESE would seek those FTE through the appropriations process.

Upon further inquiry, **DESE** noted there were funds in DESE's budget for start-up costs for a Recovery High School in FY24, first time funds were budgeted. The language identified a specific high school, and no one applied. The funds were re-appropriated for FY 25 with language that opens it up state-wide but these funds are for start-up costs.

DESE has received two applications for the one-time DESE funds appropriated for Recovery High Schools. The applications for funds were received from Cape Girardeau 63 School District and Lincoln County R-III (Troy).

There are not any recovery high schools operating currently, but the deadline to submit a proposal to pilot a Recovery High School is July 1, 2025 (to begin operation in the 2026 – 2027 school year). Only once a proposal has been submitted and ultimately approved by the State Board of Education can the DMH funds be accessed.

Officials from the **Department of Mental Health** and the **Department of Public Safety – Alcohol and Tobacco Control** both assume the proposal will have no fiscal impact on their respective organizations.

Upon further inquiry, **DMH** stated they received the original funding for Recovery High Schools in the FY25 Budget and the same funding was recommended for the FY26 budget. DMH has been appropriated \$10,434,783 for Recovery High Schools. So far in FY25 DMH has expenditures of \$7,565 for Recovery High Schools. DMH's review of this fiscal note believes that the changes to the language would not add any additional need to the already appropriated amount received.

Oversight notes officials from the DMH assume they can absorb the additional costs with their current appropriation. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to the similar proposal, SB 1393 (2024), officials from the **Concordia R-II School District** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight received a limited number of 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 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.

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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</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

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 Mental Health
Department of Public Safety – Alcohol and Tobacco
Office of the Secretary of State
Joint Committee on Administrative Rules
Concordia R-II



Julie Morff
Director
March 10, 2025



Jessica Harris
Assistant Director
March 10, 2025