

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4709H.05C  
 Bill No.: HCS for HB 2933  
 Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Children and Minors; Teachers; Disabilities  
 Type: Original  
 Date: April 20, 2026

Bill Summary: This proposal modifies and establishes provisions relating to the operation of school districts.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0	\$0	\$0 or (\$797,104)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (\$797,104)</b>

\***Oversight** notes DESE will require modifications to current applications regarding WADA and WAM. Oversight notes school districts may withdraw from special districts and students may now obtain services at school districts that approve of the withdrawal. Oversight notes changes could be realized in FY 2029 at the earliest.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	0 FTE	0 FTE	0 or 1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 FTE</b>	<b>0 FTE</b>	<b>0 or 1 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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (Unknown) to Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §160.263 – Teacher Training Requirements

Officials from **Department of Elementary and Secondary Education (DESE)** assume this legislation does not clearly identify whether a change is required in the reporting for Local Educational Agencies (LEAs) to Department of Elementary and Secondary Education (DESE) in demonstrating compliance with the law. If a location for seclusion is specifically included as a required reporting component, and if that removes, adds, or changes the current required data, then there would be an anticipated impact of between \$70,000-\$100,000 to modify the current application where seclusion and restraint data is collected.

Depending on the required reporting needs DESE would most likely have to:

1. Separate the Restraint and the Seclusion reporting Uploads.
2. Build/Change reporting boxes in the uploads for Seclusion to have limited options of (Classroom, Sensory Room, Other) with a defense of “Other” to include where the occurrence happened and why)
3. Change the report filters that would allow us to pull the new information for reporting purposes.

Office of Special Education Business Systems would work with Information Technology Service Division (ITSD) and our vendor to make these changes.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a \$0 (no changes to reporting) up to \$100,000, as estimated by DESE, in the fiscal note for their agency.

#### §162.827 – School District Vote to Leave Special School Districts

Officials from **DESE** assume that this could potentially have a large impact on the Foundation Formula and school payments that would require system updates and programming (see attached OA-ITSD worksheet). DESE feels this could allow someone to withdraw from St. Louis Special School District or Pemiscot Special School District. Since it could apply to both there would be a change to Weighted Average Daily Attendance (WADA) and Weighted Average Method (WAM), Small Schools Grant and reports on the payment transmittals.

Total Impact:  
FY27 - \$574,371  
FY28 - \$117,747  
FY29 - \$120,690

DESE assumed this section also states that the State Board of Education shall appoint a person to supervise the disposition of property and indebtedness of a school that votes to withdraw from a special school district. DESE assumes at least one full-time supervisor FTE would be needed to fulfill these requirements with the associated salary of \$65,208, one-time cost of \$12,508, and ongoing cost of \$7,424 for expenses and equipment. However, DESE also notes it cannot estimate the maximum amount of FTE needed as it will depend on the scope and size of the property, size of school, number of students, etc.

Officials from **OA/ITSD** note the Annual Performance Report (APR)/Report would be affected as it's generated annually by ITSD-DESE for DESE's review and publishing of districts performance.

It is assumed the APR data processes (ETL's) which are executed manually each APR cycle will be affected. Also, there is an assumption the databases and would require some modifications. This bill has a potential large impact to the Foundation Formula (School Finance)/Payment Transmittal application/calculations. It's unsure if these modification would be able to be handled appropriately by the current/existing application in place today.

Assumed the Foundation Formula (School Finance)/Payment Transmittal is where these changes would be needed in order to provide proper funding per provisions for the proposal. Also, assumed these changes/modifications are able to be programmed into the existing Foundation Formula (School Finance)/Payment Transmittal application/code. This bill has a potential impact to Eligible Participant and or the Leader Services applications such as Tiered Monitoring, Surrogate, and IMACS. It's unsure if these modification would be able to be handled appropriately by the current/existing application in place today.

Assumed these modifications are able to be programmed into the existing Eligible Participant and the Leader Services application code.

This bill has a potential impact to MOSIS/Core Data. It's unsure if these modification would be able to be handled appropriately by the current/existing application in place today. Assumed these changes/modifications are able to be programmed into the existing MOSIS/Core Data application/code.

**Oversight** notes the St. Louis Special School District serves 22 school districts in St. Louis County. Furthermore, Oversight notes Pemiscot Special School District is not located in a county with more than one million inhabitants so the provisions of the proposal will not apply to their district.

Oversight notes the state board of education shall appoint a person to supervise the disposition of property and indebtedness. Decisions made by the person so appointed shall be subject to review by the State Board of Education. Oversight assumes DESE will not need additional FTE until the supervision of property and indebtedness take effect. Therefore, Oversight will reflect this cost as estimated by DESE starting in FY 2029.

Oversight notes the provisions of this proposal are subject to a vote of the people. In the event voters reject withdrawing from a special school district, the provisions will not be implemented, and the fiscal impact would be \$0. In the event voters approve withdrawing from a special school district, Oversight assumes there would be an unknown impact on the withdrawing district and the special school district. For fiscal note purposes, Oversight will show an unknown savings to an unknown cost to local political subdivisions as Oversight cannot estimate the net effect on these school districts.

Officials from the **St. Louis County Board of Elections, Platte County Board of Elections and State Tax Commission** 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 for this agency.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. Upon the 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. A general listing of political subdivisions included in our 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 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Cost – DESE/ITSD (\$160.263)</u> Reporting changes p.3	\$0	\$0	\$0 or (Up to \$100,000)
<u>Cost – DESE (\$162.827) p.4</u>			\$0 or...
Personal Service	(\$0)	(\$0)	(\$67,842)
Fringe Benefits	(\$0)	(\$0)	(\$43,622)
Expense & Equipment	(\$0)	(\$0)	(\$11,269)
<u>Total Costs – DESE</u>	<u>(\$0)</u>	<u>(\$0)</u>	<u>(\$122,733)</u>
FTE Change – DESE	0 FTE	0 FTE	0 or 1 FTE
<u>Cost – DESE/ITSD (\$162.827)</u> Program modifications p.3	\$0	\$0	\$0 or (\$574,371)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 or (\$797,104)</u></b>
Estimated Net FTE Change on General Revenue	0 FTE	0 FTE	0 or 1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost/Savings – Withdrawing District/Special School District (\$162.827) Withdrawal from special district p.4</u>	\$0	\$0	\$0 or (Unknown) to Unknown
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 or (Unknown) to Unknown</u></b>

FISCAL IMPACT – Small Business

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

## FISCAL DESCRIPTION

The bill requires that beginning in the 2027-28 school year, school districts, charter schools, and publicly contracted private providers stop using seclusion on students as a form of punishment. The Department of Elementary and Secondary Education must update the model policy to incorporate the definition of seclusion and prohibit the confinement of a student in any room other than a classroom or sensory room.

This bill provides a withdrawal process for any school district that is part of a special school district. The bill requires that the school board of the school district that wants to withdraw approve a resolution for a public vote to withdraw and if so desired impose an additional levy to provide for services that the special school district has provided. Such proposed levy must not exceed the withdrawing school district's proportion of levy paid to the special school district.

The bill provides sample ballot language and the process for notification of the local election authority. If the majority at the next available day for school district elections vote to withdraw, the school board must notify the State Board of Education and the school board of the special school district and, beginning on July 1st of the second school year following the vote, the school district will no longer be included in the special school district. The special school district tax levy concludes June 30th of the school year before the withdrawal takes effect.

This bill requires that the county collector prorate the taxes imposed on each item or parcel of property so as to collect the proportional share for the school district and the special school district. The adjusted levy approved by voters will be used for special education, vocational education, and technical education programs and services. Additionally, the withdrawing school district must return property, facilities, equipment, and other assets and assume proportional bonded indebtedness.

If a majority of the vote is to remain within the special school district the question to withdraw may not be considered again for 12 months.

The State Board of Education will appoint a person to supervise the disposition of property and indebtedness and has rulemaking authority.

Any student receiving special education at a school operated by the special school district at the time of a withdrawal will be allowed to continue receiving such services as long as the student remains otherwise eligible to receive the services at said school. The district withdrawing will be responsible for the cost of such services.

A tenured teacher who is moving from a special school district as a result of withdrawal shall retain tenure status but will not be guaranteed to retain their salary.

This bill does not apply to Pemiscot County.

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  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
St. Louis County Board of Elections  
Platte County Board of Elections  
State Tax Commission



Julie Morff  
Director  
April 20, 2026



Jessica Harris  
Assistant Director  
April 20, 2026