

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5238H.011
Bill No.: HB 2502
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Children and Minors
Type: Original
Date: February 22, 2026

Bill Summary: This proposal modifies provisions governing the transfer and archive of student records.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(\$174,636)	(\$35,800)	(\$36,965)
Total Estimated Net Effect on General Revenue	(\$174,636)	(\$35,800)	(\$36,965)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§160.405 & 161.092 – Student School Records

Officials from **Department of Elementary and Secondary Education (DESE)** state:

§160.405 - Transition of Student Records if Charter Schools Close

This section calls for the orderly transition of all student records for archival purposes to a student's new school district if the students charter school in said district closes. DESE assumes the responsibilities of this requirement can be absorbed by current staff and additional FTE will not be needed.

§161.092 - Nonpublic Schools Filing Student Records if Nonpublic Schools Close

This section calls for the State Board of Education to provide a method for nonpublic schools to file student transcripts and all other student records as specified in the rules and regulations with a repository approved by the board if the nonpublic school terminates its operations. ITSD and DESE assume a new application will need to be established by ITSD to file the student transcripts and all other student records. Additionally, new sets of data will need to be collected for student transcripts and all other student records as specified by this proposal. The total cost for this new application and data collection is estimated to be \$247,131.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect an impact in the fiscal note as estimated by DESE for their agency.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Public Safety – Fire Safety, Department of Public Safety – Highway Patrol, Office of the Governor, Missouri House of Representatives and Missouri Senate** 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
GENERAL REVENUE			
<u>Cost – DESE/ITSD (\$161.092)</u> Programming cost p.3	<u>(\$174,636)</u>	<u>(\$35,800)</u>	<u>(\$36,965)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$174,636)</u>	<u>(\$35,800)</u>	<u>(\$36,965)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill clarifies that when a charter school closes, the student records for the school must be transferred to the school district in which the charter is located for archival purposes.

The bill authorizes the State Board of Education to provide a method as outlined in the bill, for nonpublic schools to file transcripts and other student records with a repository if the nonpublic school closes.

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 Public Safety
Fire Safety
Highway Patrol
Office of the Governor
Missouri House of Representatives
Missouri Senate
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
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February 22, 2026



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