

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5274H.02P
Bill No.: Perfected HCS for HB 1757
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; Children and Minors
Type: Original
Date: February 4, 2026

Bill Summary: This proposal establishes procedures for school districts to test for gifted students.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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	(Unknown)	(Unknown)

***Oversight** notes school districts would be required to provide universal screenings for gifted students and establish gifted programs **if** 3% of students are identified as gifted.

FISCAL ANALYSIS

ASSUMPTION

§162.720 – Universal Screenings for Gifted Students

Officials from the **Department of Mental Health** and **Department of Elementary and Secondary Education (DESE)** 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 these agencies.

Upon further inquiry, **DESE** stated nothing in the current formula accounts for gifted students outside of the base funding which is not affected by the amount of gifted students. So, this will not affect the call on the formula.

Oversight notes the base funding for gifted students is \$24,870,104 per the DESE FY 2027 Appropriations Book. This is a line-item in the foundation formula and is not contingent on the number of students receiving gifted services.

Officials from **Lincoln R-II School District** noted they already provide the screenings defined in the proposal.

In response to a previous version, (HB 1757), officials from the **High Point R-III School District** assumed the proposal will have fiscal impact on their organization.

Oversight contacted Lindbergh School District. The district provided that the annual cost for their screening assessment was approximately \$6.50 per child.

Upon further inquiry, **DESE** noted that there are 227 school districts in the state that offer gifted services which would mean there are 327 districts without services. It is worth noting that of those districts that offer gifted services, the majority are surrounding higher population dense districts. It is unclear whether there are districts that offer screening services that are not within a service district. DESE also noted that there were no dedicated moneys for providing screening services however schools can pay for screening services with other funds.

Oversight notes based on information found on DESE's preliminary school count report for 2025-2026 there are 63,497 third graders in the state of Missouri. Oversight is unclear how many students attend school in a district that does not offer gifted screenings. Oversight notes that if 50% of third grade students are in districts that don't currently screen for gifted students, the estimated cost to provide those screenings is \$206,365 using a cost of \$6.50 per student. Oversight assumes there could be additional costs for staff time.

Oversight notes all school districts shall provide universal screenings for all students at least once before the beginning of grade three starting in the 2027-2028 school year. Therefore,

Oversight will show an unknown cost to school districts to implement universal gifted screenings starting in FY 2028.

Oversight notes this proposal requires all universal screenings provided by the school district be reviewed by a minimum of three staff members training in gifted education, administration, or assessment. Oversight assumes not all schools have three staff training in such areas to review the screenings. Therefore, Oversight assumes school districts may need to hire additional staff. Oversight will show a zero (no additional staff needed) or an unknown cost to school districts to hire additional staff for screening reviews.

Additionally, Oversight notes if 3% of the students within a district are identified as being gifted, the district shall establish a state-approved gifted program for gifted children. Oversight assumes some districts may be required to establish a gifted program.

Oversight will show a cost to districts for establishing gifted programs and gain to those districts from state funding now being distributed to those programs. Oversight will show a loss to districts with previously established gifted programs as some base funding is shifted to new programs.

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

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – School Districts (\$162.720) From base state funding distributed to new programs p.4	\$0	\$0 or Unknown	\$0 or Unknown
<u>Revenue Loss</u> – School Districts (\$162.720) From base state funding shifted to new programs p.4	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – School District (\$162.720) to establish gifted programs if 3% of students are identified as gifted p.4	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – School Districts (\$162.720) Provide universal screenings p.3-4	\$0	(Unknown)	(Unknown)
<u>Cost</u> – School Districts (\$162.720) Additional staff for reviews p.4	<u>\$0</u>	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</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 requires school districts beginning in the 2026-27 school year to provide universal screenings for all students a least once before 3rd grade for the purpose of identifying gifted students. The bill outlines the screening requirements including valid, reliable, and current

testing methods, a body of evidence from a minimum of two areas outlined in the bill, and review by staff members trained in testing or gifted education. A child not meeting the criteria on a single screening does not prevent the child from being identified as gifted.

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
Office of the Secretary of State
Joint Committee on Administrative Rules
Lincoln R-II School District
High Point R-III School District

Julie Morff
Director



Jessica Harris
Assistant Director
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