

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5785H.011
 Bill No.: HB 2304
 Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Disabilities
 Type: Original
 Date: February 13, 2026

Bill Summary: This proposal establishes written parental consent requirements for Individualized Education Programs (IEPs).

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0	(\$155,146 to \$505,146)	(\$157,922 to \$507,922)
Total Estimated Net Effect on General Revenue	\$0	(\$155,146 to \$505,146)	(\$157,922 to \$507,922)

*Oversight notes DESE assumes this proposal would lead to a substantial increase in child complaint filings. The investigation of these complaints by DESE would require an additional FTE Investigator as well as increased litigation expenses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on Other 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
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- 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 or (Unknown)	\$0 or (Unknown)

*Costs to school districts to implement parental consent procedures.

FISCAL ANALYSIS

ASSUMPTION

§161.854 – Special Education Records

Officials from **Department of Elementary and Secondary Education (DESE)** assume this would require DESE to develop a consent model form for school districts to use with parents. DESE assumes the development of this consent model can be absorbed by current staff and that translation of documents would be the responsibility of each school district depending upon their individual needs.

DESE assumes these changes would lead to a substantial increase in child complaint filings. The investigation of these complaints by DESE will require an additional FTE Investigative Compliance Manager including their salary and associated expenses and equipment. Complaints could also lead to litigation which would have increased litigation costs, up to 20-25%, in the form of mediation expenses, deposition costs, transcription costs, and additional burden on the Administrative Hearing Commission (AHC).

If DESE participates in mediation with parents/LEAs, DESE anticipates \$750-\$1,000 per case in attorney fees and transcripts, if depositions or additional transcripts are needed during the case anticipate \$750-\$2,500 per case. Each case has additional costs for the AHC depending on the complexity of the case. Additionally, the number of cases and hearings have increased over the last several years resulting in higher costs to DESE. In 2023, DESE spent \$80,305 on AHC and Transcripts, in 2024, that amount increased to \$161,289. In 2025, costs increased to \$225,467. Costs for 2026 are not yet complete as eight due process requests have been filed since October and are currently in process. However, once these are completed it is likely that costs will exceed those of 2025. Thus, DESE is showing a potential cost of \$0-\$350,000 depending on the number of filings and the complexity of each case.

In response to similar legislation, HCS for HB 477 (2025), **DESE** also provided that Missouri already has four types of dispute resolution available to families should they disagree with the changes a LEA determines at the time the IEP is implemented. The Prior Written Notice the LEA utilizes to document their decision provides for 10 days waiting period before implementation and those decisions must be based on documentation throughout the IEP and data, to justify those changes. The parent always has access to suggest or request any of the four dispute resolution options to address their opposition to the LEAs Prior Written Notice.

Oversight does not have information to the contrary. Therefore, Oversight will reflect the estimates provided by DESE in the fiscal note.

In response to similar legislation, HB 477 (2025), officials from the **DESE** stated they would be required to develop and have translated documents for school districts to use with parents. DESE assumes translation of documents would be approximately \$1,000 per language with an

estimated 35 languages required. This would total \$35,000. DESE is requesting these funds annually as any changes/updates to forms would require translation.

In response to similar legislation, HB 477 (2025), officials from **DESE** stated the Office of Special Education with DESE already provides for the publication of a document called the Procedural Safeguards, which must be provided to all families of children with disabilities served in public and charter schools under the Individuals with Disabilities Education Act. They currently translate that document into 35 different languages based on constituents' needs in Missouri. When looking at the cost per document for translation of those languages most recently translated, the range was anywhere from \$200 to nearly \$1,000 each based on the availability of a translator for that language and the contractor to provide the translation.

Oversight notes according to 34 CFR 300.503, the public agency (typically the school district) is responsible for providing the necessary prior notice to parents of children with disabilities, which means they essentially "pay" for the cost of delivering this information, including translating it into the parent's native language if needed; the parents do not directly pay for this notice. Oversight has no way to determine how many documents will need to be translated or into how many languages. The provisions of this proposal become effective on July 1, 2027. Oversight will reflect an unknown cost of to school district for translation costs beginning in FY 2028 to the school districts.

Officials from the **Office of Administration - Administrative Hearing Commission** 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.

Officials from the **High Point R-III School District** assume the proposal will have a fiscal impact on their organization but did not provide any additional information.

In response to similar legislation, HCS for HB 477 (2025), officials from **Washington School District** assumed the financial impact could be approximately \$ 125,000 annually. (Director of Special Education Training \$5,000, Special Education Training and additional meeting times that could impact work days and instruction time with students \$20,000, Legal ramifications if conflicts arise between parents and educators \$100,000)

In response to similar legislation, HCS for HB 477 (2025), officials from **Fayette R-III School District** stated they have been fortunate to not have very many disagreements with parents in regards to IEP changes for placement or services either one. However, if complete control is given to parents, the school's ability to do what is best for the educational interest of the student would require legal fees. They would estimate the cost could range from 40K to 200k per year depending on the severity of the disagreement and the educational impact on the student.

In response to similar legislation, HB 477 (2025), officials from **Lafayette Co. C-1 School District** assumed creating a situation where parents have to consent to every piece of the IEP document will create a system where additional staff are needed to complete the paperwork

required to maintain federal compliance. For their district that would amount to approximately \$75,000 in additional staff costs. Further, if only 5% of their families with students with IEPs required a Due Process proceeding to ensure the child receives FAPE, that would require approximately \$350,000 (7 families times \$50,000 per due process hearing) to continue to serve their students. They would be required to raise their local levy approximately .45 to have the revenue to handle this additional cost.

In response to similar legislation, HB 477 (2025), officials from **Marquand-Zion R-VI School District** assumed due process hearings can cost from \$5,000 to \$20,000, depending on what is involved.

In response to similar legislation, HB 477 (2025), officials from **Osage Co. R-I School District** assumed AASA's survey of 200 school superintendents found that the average legal fees for a due process hearing was \$10,512.50. The average district expenditure for a due process hearing was approximately \$16,000. (Source: Gomez, M. M., Morgan, V. R., Schanding, G. T., & Cheramie, G. M. (2022). Due Process Case Issues for Students With Emotional Disturbance. Sage Open, 12 (1). Their district has approximately 20 special education students. If half of the IEP's in a year required a due process hearing, it would cost the district \$160,000 per year.

In response to similar legislation, HB 477 (2025), officials from **Raymore-Peculiar R-II School District** assumed districts would need to consider building substitutes (if they can be hired) to cover the need for extra meetings. An additional building sub for every building is a considerable cost. For their district, potentially 12 additional FTEs = \$36,000 per FTE x 12 = \$432,000 annually.

Increases the likelihood of forcing districts to increase reliance on contractual staff. Hourly rate for special education teachers for most contractual agencies is approximately \$80/hr = \$640/day @ 169 days = \$108,160 per employee.

\$90,000 for due process (6 months to hearing) Parents' lawyer min \$9600 for the Due Process meeting alone.

Daily cost of subs for three teachers at a minimum @ \$175/day x 3 = \$525

District filing Due Process \$90,000 per case.

In response to similar legislation, HB 477 (2025), officials from **Republic R-III School District** assumed this Bill has the real possibility to add significant cost for school districts. For instance, if a student has an IEP for a behavior diagnosis and, for safety reasons the IEP team believes a more restrictive environment for the student is appropriate, then if the parent disagrees, the district is going to have to spend a considerable sum of money (if the district has to file due process-I am estimating that to be more than \$10,000 per occurrence) to ensure that the student is not a safety concern for others or him/herself. The way they understand this Bill, it seems that

there could be safety concerns for the health and well being of all students, but also considerable costs if the IEP team has disagreement with parents. Additionally, this Bill has the potential to require more paperwork and amendments to IEPs, which will lead to increased work loads on special education teachers and supervisors. Special education teachers are already in very short supply, and if they make the processes more difficult and intricate, the unanticipated response is going to be special education teachers leaving the profession or the need to hire additional people for the increased work load.

In response to similar legislation, HB 477 (2025), officials from **Richland R- IV School District** assumed the financial impact for HB477 could be approximately \$ 60,000 annually. (Director of Special Education Training \$5,000, Special Education Training and additional meeting times that could impact work days and instruction time with students \$20,000, Legal ramifications if conflicts arise between parents and educators \$100,000)

In response to similar legislation, HB 477 (2025), officials from **Warrensburg R-VI School District** assumed the Warrensburg R-VI School District used past due process filing data to calculate an average cost for just legal services and insurance deductibles to determine the following:

If 10% of parents/guardians of students with IEPs (538 students with an IEP in total) disagreed with the decision of the IEP team and the district was forced to file for due process the cost is estimated to be \$1,007,000 or just over 2% of their total district expected revenue for 2024-25 school year. The district has not had a full due process hearing in recent years as disagreements were resolved through resolutions or agreed through the findings of a third party's Individualized Education Evaluation. As such the cost for a full due process would be higher than what is listed here.

Past demands by parents/guardians that were deemed inappropriate based on the student's needs by the IEP team have ranged from the number of minutes in a classroom that have little to no cost to demands requiring the hiring of additional staff at \$30,000-\$70,000 (largely depending on the demand of being certified or classified staff) to tuition, special schools, or other contracted services that would have cost the district \$124,000 per year per student.

In response to similar legislation, HB 477 (2025), officials from **Worth Co. R-III School District** assumed Yearly cost: \$110,000 (3% of budget)
Additional Teacher: \$55,000 - SPED staff already over limit on capabilities
IEP Meetings: \$5000
Due Process: \$50,000

The provisions of this proposal become effective on July 1, 2026. Therefore, the costs will be reflected in FY 2027 in the fiscal note. Furthermore, Oversight would assume that this cost would be unknown but ongoing with new enrollment which would bring forth an opportunity for new cases requiring due process.

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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DESE (§161.854) p.3</u>			
Personal Service	\$0	(\$88,971)	(\$90,750)
Fringe Benefits	\$0	(\$52,120)	(\$52,836)
Expense & Equipment	\$0	(\$14,055)	(\$14,336)
<u>Total Costs – DESE</u>	<u>\$0</u>	<u>(\$155,146)</u>	<u>(\$157,922)</u>
FTE Change – DESE	0 FTE	1 FTE	1 FTE
<u>Cost – DESE (§161.854) Hearing/ Litigation p.3</u>	<u>\$0</u>	\$0 to <u>(\$350,000)</u>	\$0 to <u>(\$350,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$155,146 to \$505,146)</u>	<u>(\$157,922 to \$507,922)</u>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – LEA (§161.854) Implement parental consent procedures p.4</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – LEA (§161.854) Translation of documents p.4</u>	<u>\$0</u>	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (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 public schools that serve students with an individualized education program (IEP) to implement parental consent procedures. Written parental consent must be obtained and maintained for initial placement, placement changes, removal of service, or the reduction or addition of service minutes by more than 25% as specified in the bill.

If the parents and local educational agency (LEA) only reach an agreement on certain IEP services or interim placement, the child's new IEP will only be implemented in the areas of agreement with the current services remaining unchanged unless the local education agency follows procedures specified in the bill.

The bill states that if consent is not provided within ten school days, the LEA and the parents must include an additional addendum to a child's IEP on areas of disagreement and provide resolution for the disagreement within 20 days with the option of an additional 20 days with consent from both parties as long as progress or additional agreements are reached. Dispute resolution options are provided and can occur upon request of either the school district or the parent of the child.

If a child is identified as eligible for special education services, the parents have the right to schedule a visit for any program proposed for their child as long as that visit does not interfere with instruction.

The Department of Elementary and Secondary Education must adopt a parental consent form, as specified in the bill, that each school district will provide to parents. Districts may not proceed with implementation of a student's IEP without the parental consent form completed except as provided in the bill. The bill has a delayed effective date of July 1, 2027.

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 Administration - Administrative Hearing Commission
High Point R-III School District
Washington School District
Fayette R-III School District
Lafayette Co. C-1 School District
Marquand-Zion R-VI School District

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Osage Co. R-I School District
Raymore-Peculiar R-II School District
Republic R-III School District
Richland R- IV School District
Warrensburg R-VI School District
Worth Co. R-III School District



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