

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6382S.06T
 Bill No.: Truly Agreed To and Finally Passed SS for SCS for HB 2896
 Subject: Agriculture; Boards, Commissions, Councils and Committees; Counties; Elementary and Secondary Education; Higher Education, Department of Elementary and Secondary Education; Governor and Lt. Governor; Department of Higher Education and Workforce Development
 Type: Original
 Date: June 17, 2026

Bill Summary: This proposal modifies provisions relating to the governing bodies of certain public institutions of higher education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 to (\$126,700)	\$0 to (\$119,000)	(Could exceed \$2,119,000)
Total Estimated Net Effect on General Revenue	\$0 to (\$126,700)	\$0 to (\$119,000)	(Could exceed \$2,119,000)

*Oversight notes this proposal in §178.530 expands an agricultural education pilot program to all elementary schools that elect to be in the program this proposal also removes the sunset from §173.831. Costs for the Workforce Diploma Program will continue in FY 2029 and all subsequent years.

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
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 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight notes school districts that elect to participate in the agriculture education program could require additional staff, or have additional costs associated with implementing a new program.

FISCAL ANALYSIS

ASSUMPTION

§173.831 - Workforce Diploma Program

Oversight notes that this section will automatically sunset August 28, 2028. This proposal removes the sunset clause from this section.

Oversight is providing data based on information found in Department of Elementary and Secondary Education (DESE)'s FY 2027 Budget book for program history regarding the Workforce Diploma Program as seen in the table below:

Year	Budget Authority	Actual Expenditure	Unexpended
2023	\$1,940,000	(\$586,250)	\$1,353,750
2024	\$1,940,000	(\$1,940,000)	\$0
2025	\$3,880,000	(\$3,411,000)	\$469,000
2026 (As of 08/31/2025)	\$1,940,000	(\$481,750)	\$1,458,250

Based on prior program activity, Oversight will reflect a continued cost for DESE that could exceed \$2,000,000 (based on most consistent appropriation) in FY 2029 for the continuation of the program.

§178.530 – Program for Agricultural Education in Elementary Schools

Officials from the **DESE** state that §178.530 would expand an agricultural education pilot program to all elementary schools that elect to be in the program.

In order to implement the program as described, elementary teachers will need to receive training for the implementation. As outlined in 178.530.3(3), instruction will be provided through the nine RPDCs. DESE estimates one contract with the RPDCs at an annual cost of \$119,000. This contract would include an initial meeting with 20 participants representing various commodity associations to review the program and finalize training at a cost of \$7,700 (hotel/meal/mileage reimbursement). The commodity groups would then assist the RPDC in training elementary teachers across the state to implement the program.

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

In response to similar legislation, HB 2097 (2026), officials from the **High Point R-III School District** assumed the proposal will have fiscal impact on their organization but did not provide any additional information.

In response to similar legislation, HB 1555 & 1026 (2025), officials from the **Joplin School District** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation, HB 1555 & 1026 (2025), officials from the **Maries Co. R-II School District**, a district that participated in the pilot program for two years, stated they did not have any real cost. The materials were provided by the pilot program. The only costs were the teachers' time during the school day.

In response to similar legislation, HB 1555 & 1026 (2025), officials from **Washington School District** assumed there is a financial impact for HB1026 of \$45,000 for the first year and every 3-5 years for a curriculum cycle- training for elementary staff \$7,000, and curriculum/course work \$45,000.

Oversight notes for the 2027-28 school year and all subsequent school years, the program may be implemented in elementary schools in which their school board elects to take part in the program. Oversight is unable to determine how many school districts would elect to participate and of those districts how many would hire additional staff such as an AG teacher. Therefore, Oversight will reflect zero (no participation) or Unknown cost to school districts.

Additionally, Oversight notes with the implementation of any new program, there may be varying costs to school districts based on specific needs for supplies, substitute teachers while training is conducted, and potential other costs to implement the program. Therefore, Oversight will reflect a \$0 or unknown cost to school districts in the fiscal note.

Oversight notes, based on information provided by DESE, if districts elect to hire an AG teacher, they can also expect an expense for a teacher. The average Missouri teacher salary without benefits and retirement on a standard 10-month contract is \$55,000. An AG teacher on an extended 12-month contract would average \$66,000/year.

Responses regarding the proposed legislation as a whole

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Higher Education and Workforce Development, Missouri House of Representatives, Missouri Senate, Office of the Governor, Office of the State Courts Administrator, Office of the State Treasurer, University of Central Missouri, Northwest Missouri State University, and University of Missouri System** each assume the

proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other schools, charter schools, colleges, and community colleges 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 (§173.831) Workforce Diploma Program p.3</u>	\$0	\$0	(Could exceed \$2,000,000)
<u>Cost – DESE (§178.530) Contractor/ Professional development p.3</u>	\$0 to (\$119,000)	\$0 to (\$119,000)	\$0 to (\$119,000)
<u>Cost – DESE (§178.530) Commodity association meeting p.3</u>	<u>\$0 to (\$7,700)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to (\$126,700)</u>	<u>\$0 to (\$119,000)</u>	<u>(Could exceed \$2,119,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – School Districts (§178.530) Hire additional staff p.3-4</u>	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost – School Districts (§178.530) Implement agriculture program p.3-4</u>	<u>\$0</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

WORKFORCE DIPLOMA PROGRAM (Section 173.831)

Current law provides for the Workforce Diploma Program to assist students with obtaining a high school diploma and developing employability and career technical skills, with such program scheduled to sunset on August 28, 2028.

This bill repeals the sunset provision for this section.

HIGHER EDUCATION BOARDS' APPOINTEES (Sections 174.300, 174.332, 174.450, 174.453, 174.610, 175.020, and 178.632)

This bill changes the residency requirements for board members of certain specified public colleges and universities. The bill limits the number of board appointees that can reside in the city or county of the principal administrative office of the college or university.

The bill applies to Harris-Stowe State College, Northwest Missouri State University, Missouri State University, Missouri Southern State University, University of Central Missouri, Southeast Missouri State University, Truman State University, Lincoln University of Missouri, and State Technical College of Missouri.

Additionally, the bill modifies the governing board of Missouri State University so that no less than seven members will each be residents of different congressional districts of this state; provided that no more than one member will be appointed from any one congressional district. In addition to the seven members appointed, two members will be appointed at-large and will not be required to reside in a congressional district not otherwise represented on the board.

AGRICULTURE EDUCATION (Section 178.530)

The bill ends the current pilot program for agriculture education in elementary schools and authorizes that beginning in the 2027- 28 school year the program can be implemented by the Department of Elementary and Secondary Education statewide for all elementary schools that elect to participate. The bill removes the requirement for reporting to the House and Senate committees on agriculture and education and instead requires the report to be posted on the Department's website.

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

Attorney General's Office
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Joint Committee on Administrative Rules
Missouri House of Representatives
Missouri Senate
Office of the Governor
Office of the State Courts Administrator
Office of the Secretary of State
Office of the State Treasurer
University of Central Missouri
Northwest Missouri State University
University of Missouri System



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