

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3220H.011  
 Bill No.: HB 1972  
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Science and Technology  
 Type: Original  
 Date: February 16, 2024

Bill Summary: This proposal establishes the Stem Career Awareness Activity Program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	\$0	More or less than (\$169,410)	More or less than (\$169,410)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>More or less than (\$169,410)</b>	<b>More or less than (\$169,410)</b>

\*Subject to appropriation.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Stem Career Awareness Activity Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Distributions and transfers net to zero.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 161.264 Stem Career Awareness

Officials from **Department of Elementary and Secondary Education (DESE)** assumed this would require DESE to solicit proposals to provide STEM Career Awareness activities and programs for students in grades nine through twelve. Based on a current program and contract for students in grades six through eight that began in FY 2021 the contract cost could be between \$150,000 and \$370,000 (Year one expenditures up to current appropriation level), dependent upon appropriation. DESE assumes a transfer would be made for this contract into the STEM Career Awareness Fund.

**Oversight** assumes the cost for a vender would be similar to the cost for the existing STEM Career Awareness Program (grades 6-8, created in HB 3 2018 1<sup>st</sup> Extraordinary Session). Oversight notes the following transfers and disbursements to the STEM Career Awareness Program Fund (0997) per the Office of the State Treasurer's Fiscal Year End Funds Reports:

<b>Fiscal Year</b>	<b>Disbursements</b>	<b>Transfers In</b>
FY 2019	\$150,000	\$150,000
FY 2020	\$150,000	\$210,625
FY 2021	\$150,000	\$150,000
FY 2022	\$194,250	\$132,116
FY 2023	\$202,800	\$242,500
<b>Average</b>	<b>\$169,410</b>	<b>\$177,048</b>

**Oversight** will show a cost that could be more or less than average disbursement for the existing STEM Career Awareness Program.

**Oversight** assumes this proposal creates the STEM Career Awareness Activity Fund. For simplicity, Oversight assumes all funds will be utilized in the year in each they were received.

Officials from the **Office of the State Treasurer** 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.

### 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.

**Oversight** received zero responses from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note. Oversight only reflects the responses received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE</b>			
Transfer Out – to the STEM Career Awareness Activity Program Fund - §161.264	\$0	More or less than (\$169,410)	More or less than (\$169,410)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0</b>	<b>More or less than (\$169,410)</b>	<b>More or less than (\$169,410)</b>
<b>STEM CAREER AWARENESS ACTIVITY FUND</b>			
<u>Transfer In</u> – from General Revenue - §161.264	\$0	More or less than \$169,410	More or less than \$169,410
<u>Income</u> – gifts, bequests or donations - §161.264	\$0	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - for a vendor to implement the statewide program - §161.264	\$0	More or less than (\$169,410)	More or less than (\$169,410)
<b>ESTIMATED NET EFFECT ON THE STEM CAREER AWARENESS ACTIVITY FUND</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT – Small Business

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

### FISCAL DESCRIPTION

This bill requires the Department of Elementary and Secondary Education (DESE) to establish the "STEM Career Awareness Activity Program" for grades 9-12. Beginning in the 2025-26 school year DESE may solicit proposals to provide the Program and by March 1, 2025, shall select a provider. The bill outlines requirements for providers who must present data demonstrating effectiveness in the following areas: teacher instruction on STEM-related subjects; increased student enrollment in four year STEM related fields; or increased participation in STEM related workforce upon graduation.

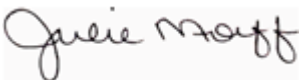
The bill outlines criteria for program providers, authorizes DESE to choose a third party nonprofit entity to implement the Program, solicit proposals, and select a provider.

This bill also creates the "STEM Career Awareness Activity Fund".

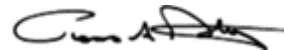
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of the State Treasurer



Julie Morff  
Director  
February 16, 2024



Ross Strobe  
Assistant Director  
February 16, 2024