

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3277S.01I  
Bill No.: SB 1170  
Subject: Department of Higher Education and Workforce Development; Education, Higher  
Type: Original  
Date: January 18, 2024

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Bill Summary: This proposal creates provisions relating to free speech policies in higher education and establishes the college student free speech and association act.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                   |                  |                  |
|--|-------------------|------------------|------------------|
| <b>FUND AFFECTED</b>                                 | <b>FY 2025</b>    | <b>FY 2026</b>   | <b>FY 2027</b>   |
| General Revenue                                      | (\$41,731)        | (\$8,555)        | (\$8,769)        |
|  |                   |                  |                  |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>(\$41,731)</b> | <b>(\$8,555)</b> | <b>(\$8,769)</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE 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>Other</u> State Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

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

#### §173.2560 – Free speech in higher education

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state §173.2560 requires that by August 28, 2025 every institution of higher education that receives state funds shall annually submit a statement to the commissioner of higher education certifying that the institution has reviewed its current policies and that those policies comply with the institution's obligations pursuant to this section and the First Amendment to the United States Constitution;

It also requires the commissioner of DHEWD to review the educational institutions' disclosures and publish the disclosures and the list of institutions that fail to provide such disclosures on the website of the DHEWD in a publicly accessible and searchable database.

DHEWD assumes 0.5 FTE Lead Administrative Support Assistant (\$39,750 annually) will be needed to perform the duties associated with this proposal. In addition, DHEWD estimates ITSD consultant costs to update the database to be **\$41,731** to the General Revenue Fund for FY25 and ongoing IT costs of **\$8,555** annually thereafter. Total costs are estimated to be \$84,288 for FY25; \$44,612 for FY26; and \$45.397 for FY27.

**Oversight** assumes existing DHEWD staff can absorb the additional administrative duties required by this proposal, but will present ITSD costs for fiscal note purposes.

Officials from the **University of Missouri System, Northwest Missouri State University** and the **University of Central Missouri** 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 received from state agencies and political subdivisions; however, other colleges and universities 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<br>(10 Mo.)      | FY 2026                 | FY 2027                 |
|---|--------------------------|-------------------------|-------------------------|
|   |                          |                         |                         |
| <b>GENERAL REVENUE FUND</b>                                     |                          |                         |                         |
|   |                          |                         |                         |
| <u>Costs – DHEWD/ITSD (§173.2560) – system update costs p.3</u> | (\$41,731)               | (\$8,555)               | (\$8,769)               |
|   |                          |                         |                         |
| <b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>         | <b><u>(\$41,731)</u></b> | <b><u>(\$8,555)</u></b> | <b><u>(\$8,769)</u></b> |
|   |                          |                         |                         |

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

FISCAL IMPACT – Small Business

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

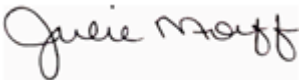
FISCAL DESCRIPTION

Beginning in 2025, every institution of higher education that receives state funds shall annually submit a statement to the Commissioner of Higher Education certifying that such institution's policies comply with its obligations pursuant to the provisions of the act. Private institutions that receive state funds shall submit an additional statement disclosing whether they guarantee students the same freedom of speech rights guaranteed to students at public institutions. By August 28, 2025, the Commissioner shall review these statements and shall publish certain information relating to the statements on the website of the Department of Higher Education and Workforce Development. (§173.2560)

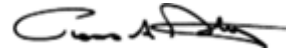
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education and Workforce Development  
University of Missouri System  
Northwest Missouri State University  
University of Central Missouri



Julie Morff  
Director  
January 18, 2024



Ross Strobe  
Assistant Director  
January 18, 2024