

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1382S.06S
Bill No.: CCS for HCS for SS for SB 160
Subject: Children and Minors; Civil Rights; Crimes and Punishment; Elementary and Secondary Education; Higher Education; Department of Elementary and Secondary Education; Emergencies; Department of Higher Education and Workforce Development; Law Enforcement Officers and Agencies; Liability; Teachers; Victims of Crime
Type: Original
Date: May 8, 2025

Bill Summary: This proposal establishes provisions relating to educational institutions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight notes §173.1556.2 allows aggrieved persons to assert a violation or threatened violation as a claim in a judicial proceeding. Oversight assumes it is possible for lawsuits against state institutions paid from the Legal Expense Fund to reach the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Other State***	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Legal Expense Fund*	\$0	\$0	\$0
Colleges and Universities**	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

*Transfers in and distributions net to zero.

** This proposal allows other universities to confer degrees currently conferred only by the University of Missouri (UM). It is assumed if other universities decide to offer degrees in programs currently only conferred by UM that the administrative costs could exceed \$250,000 annually and that revenue (tuition and fees) would move from one university to another and would net to \$0.

***Oversight assumes it is possible for lawsuits against state institutions paid from the Legal Expense Fund to reach the \$250,000 threshold.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal Funds*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

* Oversight assumes it is possible for lawsuits against state institutions paid from the Legal Expense Fund to reach the \$250,000 threshold.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight assumes there could be a potential increase in claims against the community colleges which would increase litigation.

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency 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.

§160.082 - Missouri CROWN Act

In response to a previous version, officials from the **Department of Elementary and Secondary Education** assumed the proposal will have no fiscal impact on their organization. Therefore, **Oversight** will reflect a zero impact in the fiscal note for this agency.

In response to similar legislation, HB 284 (2025), officials from the **Department of Labor and Industrial Relations** assumed the Human Rights Commission (MCHR) could absorb the increase in complaints with existing resources. However, if the number of additional cases was significant or additional legislation was enacted which increased other types of MCHR complaints, the impact could be substantial enough that the MCHR could not absorb additional work without additional resources and would request such through the appropriations process.

Oversight assumes DOLIR-MCHR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOLIR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOLIR could request funding through the appropriation process.

In response to similar legislation, HB 284 (2025), officials from the **Office of Attorney General (AGO)** assumed any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. However, the AGO may seek additional appropriations if there is a significant increase in litigation.

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.

In response similar legislation, HB 1900 (2024), officials from the **King City R-1 School District** and **Cabool R-IV School District** both assumed the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HB 361 (2023), officials from the **Gordon Parks Elementary Charter School** assumed the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HB 503 (2021), officials from the **High Point R-III School District** assumed the proposal would have no fiscal impact on their organization.

Oversight does not anticipate a fiscal impact to school districts; however, Oversight received a limited number of responses from school districts related to the fiscal impact of this proposal.

§§172.280 & 174.160 – Authority to confer degrees at colleges/universities

In response to similar legislation, SB 11 (2025), officials from the **Department of Higher Education and Workforce Development** assumed 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 this agency.

In response to a previous version, officials from the **University of Missouri System (UM)** stated that the fiscal impact on the UM System is hard to predict. The fiscal impact to the UM System of MSU offering research doctorates and/or a bachelor's degree in veterinary technology is unknown.

In response to similar legislation, SB 11 (2025), officials from the **UM** stated the fiscal impact on the UM System is difficult to predict but could be significant. It is reasonable to believe that starting new PhD programs, professional degrees, and engineering degrees will significantly increase expenditures at other institutions. These cost increases would require a significant increase in state funding for these institutions, causing a corresponding loss of state funding to the UM System and its four universities.

Oversight assumes UM could experience a negative fiscal impact as a result of this proposal since students could opt to attend another university to obtain their desired degree and that other universities in Missouri would incur additional administrative expenses starting up/adding new programs. The administrative expenses may or may not be offset by an increase in enrollment. Therefore, for fiscal note purposes, Oversight assumes this proposal will have a \$0 to unknown negative fiscal impact on universities.

In addition, the net effect on tuition/fees lost by UM and received by other universities will not be significantly different. Lastly, Oversight assumes the impact could be greater than \$250,000 if even one university decided to create a new graduate, professional and/or engineering program at their institution. Oversight will range the impact from \$0 to an unknown amount.

In response to similar legislation, SB 11 (2025), officials from **Southeast Missouri State University** assumed there is the potential for a likely positive impact on Southeast Missouri State University.

In response to similar legislation, SB 479 (2024), officials from the **Northwest Missouri State University** assumed the proposal would have no fiscal impact on their organization

§§173.1555 and 173.1556 – Prohibits public institutions of higher education from discriminating against religious student associations or denying any benefit available to other student associations

In response to a previous version, officials from the **Office of Administration** stated §§160.082 & 173.1556 have the potential to increase costs to the state Legal Expense Fund (LEF) for actions alleging violation of this provision against a public institution of postsecondary education or a state employee in connection with their official duties on behalf of the state. This change will be subject to judicial construction; therefore, the cost impact to the state is unknown.

In response to a previous version, officials from the **Office of Attorney General (AGO)** assumed 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.

In response to a previous version, officials from the **Department of Higher Education and Workforce Development** assumed the proposal will have no fiscal impact on their respective organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **Northwest Missouri State University** assumed this proposal would have no fiscal impact on their organization.

In response to a previous version, officials from the **Office of the State Courts Administrator** assumed this proposal would have no fiscal impact on their organization.

Oversight notes responding colleges or universities have stated the proposal would not have a direct fiscal impact on their respective organizations. However, Oversight assumes there could be an impact from potential litigation. Oversight will show a range of impact of \$0 (no increase in claims) to an unknown cost to colleges and universities from an increase in claims that are submitted to the Legal Expense Fund for payment.

Oversight notes, based on data provided by the Office of Administration - Risk Management (OARM), there were no discrimination claims paid during FY 2024 or FY 2023. In FY 2021, there was approximately \$20,946 paid by the LEF in discrimination claims ($4 \text{ discrimination claims} / \$20,946 = \$5,200 \text{ paid per claim}$). Based on the fact that no discrimination claims were paid during the prior two fiscal year, it is assumed the provisions of this proposal would have no fiscal impact. However, **Oversight** assumes this proposal could result in an increase in claims against colleges and universities which could impact the Legal Expense Fund. Oversight also assumes it is possible for lawsuits paid by the LEF to exceed \$250,000.

Table I: Payment data **by type** of claim in FY 2024

Type of Claim	Number of Claims	Cost of Claims
Motor Vehicle	135	\$1,066,558
Dangerous Condition of Property	16	\$113,397
Employment	109	\$11,518,389
Sunshine Law Violation	7	\$280,951
Declaratory Judgment	3	\$142,309
Civil Rights	7	\$70,557
Administrative Agency	1	\$88,324
Equitable Relief	8	\$274,289
Inmate	31	\$10,146,532
Unconstitutional State Statute	2	\$99,033
Civil Judicial Action	3	\$261,084
Statutory/Ballot Challenge	7	\$162,480
Class Action Lawsuit	1	\$134,246
Tort	20	\$370,429
Injunctive Relief	2	\$9,080
Amendment Violation	2	\$121,380
Writ of Prohibition	1	102,446
Attorney Fees	1	\$38,289
Medical Malpractice	8	\$997,360
STL & KC Police	1	\$1,000,000
Totals	365	\$26,997,132

Source - OARM

Oversight notes most LEF costs are reimbursed from the General Revenue Fund (GR). GR has paid for the majority of payments from the LEF since payments on LEF cases for agencies with designated reimbursable funds have been relatively small. According to the OARM, broader budget authority to transfer from Federal and Other Funds beginning in FY 18 allowed for an increase of percentage of payments from Federal and Other Funds. Table II below shows LEF costs broken down for GR versus Federal Funds/Other Funds.

Table II: Legal Expense Fund payments from GR and Fed/Other

	GR	Fed/Other	Total	GR %	Fed/Other %
FY 15	\$9,197,461	\$661,555	\$9,859,016	93%	7%
FY 16	\$11,386,339	\$600,489	\$11,986,828	95%	5%
FY 17	\$19,983,784	\$4,217,582	\$24,201,366	83%	17%
FY 18	\$18,625,000	\$9,649,513	\$28,274,513	66%	34%
FY 19	\$23,542,940	\$692,718	\$24,234,953	97%	3%
FY 20	\$9,026,829	\$1,128,397	\$10,155,227	89%	11%
FY 21	\$5,427,292	\$446,485	\$5,873,777	92%	8%
FY 22	\$11,972,573	\$871,644	\$12,844,218	93%	7%
FY 23	\$24,409,567	\$535,699	\$24,945,265	98%	2%
FY 24	\$25,936,222	\$1,060,910	\$26,997,132	96%	4%
Total	\$159,508,007	\$19,864,992	\$179,372,295	89%	11%

Source: Office of Administration – Risk Management

Oversight notes the cost of any potential liability would be entirely dependent on the number of claims and circumstances of the claims filed; therefore the cost is ultimately unknown. Oversight will show a range of impact of \$0 (no increase in claims) to an unknown cost to the Legal Expense Fund with a corresponding transfer-out from General Revenue, Federal Funds or Other State Funds.

§578.365 – Danny’s Law: Offense of Hazing

In response to similar legislation, SB 167 (2025), officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal can be absorbed with existing resources. However, 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.

In response to similar legislation, SB 167 (2025), officials from the **Department of Corrections (DOC)** stated there was only one guilty plea made under this section with a class A misdemeanor penalty in 2024. Therefore, the DOC expects no impact to the department with this change in legislation.

In response to similar legislation, SB 167 (2025), **Department of Higher Education and Workforce Development**, the **Department of Public Safety - Missouri Highway Patrol**, the **Missouri Office of Prosecution Services**, the **Office of the State Courts Administrator**, the **Office of the State Public Defender**, the **University of Missouri**, the **Phelps County Sheriff's Department**, the **Kansas City Police Department**, the **St. Louis County Police Department**, 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.

Responses regarding the proposed legislation as a whole

In response to the previous version, officials from the **Office of Administration - Administrative Hearing Commission**, **Office of the Governor**, **Missouri Department of Transportation**, **Missouri House of Representatives**, and **Missouri Senate** each assumed 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.

In response to the previous version, officials from the **University of Central Missouri** assumed there would be an indeterminate fiscal impact at UCM.

Rule Promulgation

In response to a previous version, officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** noted 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 only reflects the responses received from state agencies and political subdivisions; however, other colleges, universities, and 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.

FISCAL IMPACT – State Government	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Cost</u> - Potential increase in payments to Legal Expense Fund for increase in claims §§173.1555 and 173.1556	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
COLLEGES AND UNIVERSITIES			
<u>Cost</u> – §§172.280 & 174.160 – Increased administrative costs	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost</u> - §§173.1555 & 173.1556 Potential increase in claims	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
OTHER STATE FUNDS			
<u>Cost</u> - §§173.1555 and 173.1556 Potential increase in payments to Legal Expense Fund for increase in claims	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

LEGAL EXPENSE FUND (0692)			
<u>Transfer In</u> - §§173.1555 and 173.155 From GR, Federal, and Other State Funds - potential increase in claims	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Transfer Out</u> - §§173.1555 & 173.1556 Payment of discrimination claims	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO THE LEGAL EXPENSE FUND	\$0	\$0	\$0
FEDERAL FUNDS			
<u>Cost</u> - §§173.1555 & 173.1556 Potential increase in claims	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO FEDERAL FUNDS	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> – §§173.1555 & 173.1556 Community Colleges - Potential increase in claims	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This proposal modifies provisions governing educational institutions.

L.R. No. 1382S.06S

Bill No. CCS for HCS for SS for SB 160

Page 11 of 11

May 8, 2025

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

Office of Administration - Administrative Hearing Commission

Department of Higher Education and Workforce Development

Department of Labor and Industrial Relations

Office of Administration

Missouri House of Representatives

Missouri Senate

Office of the Secretary of State

Joint Committee on Administrative Rules

Office of the Governor

Missouri Department of Transportation

University of Missouri System

Northwest Missouri State University

University of Central Missouri

Office of the State Courts Administrator



Julie Morff
Director
May 8, 2025



Jessica Harris
Assistant Director
May 8, 2025