

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2427S.01I
Bill No.: SB 627
Subject: Banks and Financial Institutions; Higher Education; State Treasurer
Type: Original
Date: March 21, 2025

Bill Summary: This proposal requires the University of Missouri to enter into an agreement with the State Treasurer to establish a separate custodial account for moneys in the University's Seminary Fund.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

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

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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 172.640 – State University Seminary Fund

Officials from the **University of Missouri (UM)** assume this would have a positive impact on the university. It would simplify the process for handling the seminary fund.

Upon further inquiry, **UM** stated the current operational process for investing and withdrawing the funds involves an unduly cumbersome and time-consuming multi-step process involving several departments on the part of both the University and the Treasurer, all to administer a relatively small amount of money in the context of the overall finances of the State and the University. The real savings come in time savings from a more efficient process and the reduction in possible mistakes from staff turnover in either office. This fund will last forever, so any improvements will be beneficial for the long term.

Furthermore, they stated this does not impact the size of their staff. The improvement is to simplify the process between their office and the Missouri Treasurer's office. The MO Treasurer's office will no longer have to purchase the bonds and custody the investments on their behalf. UM will handle that in their office, and they are already equipped to do this.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

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**, and **Office of the State Treasurer** both assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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 Higher Education and Workforce Development
Office of the State Treasurer
University of Missouri



Julie Morff
Director
March 21, 2025



Jessica Harris
Assistant Director
March 21, 2025