

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5516S.01I  
Bill No.: SB 1031  
Subject: State Departments  
Type: Original  
Date: February 28, 2026

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Bill Summary: This proposal prohibits expenditures by state departments for certain diversity initiatives.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Office of Prosecution Services** and **Office of the State Courts Administrator** did not respond to **Oversight's** request for fiscal impact for this proposal.

#### §1.2030 – Diversity Initiatives

Officials from the **Office of Administration (OA)** assume this bill could potentially be construed as conflicting with several existing statutes and an executive order that require preferences for certain vendors or types of materials. Examples of statutes that this bill could potentially interpreted as conflicting with, include, but are not limited to the following:

- Section 34.070 - Preference to Missouri products and firms
- Section 34.074, RSMo - Service disabled veterans preference
- Section 34.165, RSMo - preference to the blind/sheltered workshops
- Sections 34.350-34.359, RSMo - Domestic Products Procurement Act
- Section 37.020, RSMo - Minority and Women's Business Enterprises
- Section 290.210 -.340, RSMo - Wage Rates on Public Works (Prevailing Wage)

Additionally, this bill may prohibit certain vendors from bidding on state contracts.

**Oversight** assumes the limitation in this proposal would not interfere or conflict with existing statutes and would not prohibit bids with certain vendors for state contracts.

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.

Officials from the AGO assume the cost of the proposal can be absorbed. **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 **Department of Commerce and Insurance, Department of Corrections, Department of Economic Development, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Higher Education and Workforce Development, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Public Safety (Division of Alcohol and Tobacco Control, Capitol Police, Fire Safety, Missouri Gaming Commission, Missouri Veterans Commission, Office of the Director, State Emergency Management Agency), Department of Revenue, Department of Social Services, Joint Committee on Administrative Rules, Joint Committee on Legislative Research (Legislative**

**Research and Oversight Division), Missouri Consolidated Health Care Plan, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Department of Transportation, Missouri Ethics Commission, Missouri House of Representatives, Missouri Lottery Commission, Missouri National Guard, Missouri Senate, Missouri State Employee's Retirement System, Office of Administration (Administrative Hearing Commission), Office of the Governor, Office of the Lieutenant Governor, Office of the Secretary of State, Office of the State Auditor, Office of the State Public Defender, Office of the State Treasurer and State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact on 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 Commerce and Insurance  
Department of Corrections  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Higher Education and Workforce Development  
Department of Labor and Industrial Relations  
Department of Mental Health  
Department of Natural Resources  
Department of Public Safety  
    Alcohol and Tobacco Control  
    Capitol Police  
    Fire Safety  
    Missouri Gaming Commission  
    Missouri Highway Patrol  
    Missouri Veterans Commission  
    Office of the Director  
    State Emergency Management Agency  
Department of Revenue  
Department of Social Services  
Joint Committee on Administrative Rules  
Joint Committee on Legislative Research  
    Legislative Research  
    Oversight Division  
Missouri Consolidated Health Care Plan  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Missouri Department of Transportation  
Missouri Ethics Commission  
Missouri House of Representatives  
Missouri Lottery Commission  
Missouri National Guard  
Missouri Senate  
Missouri State Employee's Retirement System  
MoDOT & Patrol Employees' Retirement System  
Office of Administration  
    Administrative Hearing Commission  
    Commissioner's Office  
Office of the Governor  
Office of the Lieutenant Governor  
Office of the Secretary of State

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Office of the State Auditor  
Office of the State Public Defender  
Office of the State Treasurer  
State Tax Commission



Julie Morff  
Director  
February 28, 2026



Jessica Harris  
Assistant Director  
February 28, 2026