

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0951-02
Bill No.: Perfected HCS for HB 576
Subject: Higher Education; Department of Higher Education; Civil Rights
Type: Original
Date: April 25, 2019

Bill Summary: This proposal modifies the Campus Free Expression Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Legal Expense Fund*	\$0	\$0	\$0
College & University Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Transfers-in and distributions net to zero.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 173.1550

Officials from the **Department of Higher Education** and **Office of the Attorney General (AGO)** each assume the proposal will have no fiscal impact on their organization.

Upon further inquiry and in response to a previous version, HB 576 (2019), officials from the **AGO** stated it is possible that this proposal could lead to increased litigation against colleges and universities, but it is impossible to forecast. Litigation against public universities would have the possibility to impact the legal expense fund. There is no way to quantify the potential impact.

Officials from the **Office of the State Courts Administrator** assume the proposal as amended will have no fiscal impact on their organization.

Officials from **University of Missouri System** are unable to estimate the exact fiscal impact of this proposal as amended, but expect the impact to be limited.

Oversight assumes this proposal could result in an increase in claims against colleges and universities which could impact the Legal Expense Fund. 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.

In response to a previous version, HB 576 (2019), officials from **Missouri State University (MSU)** assumed the proposal would have a negative fiscal impact on their organization of an undetermined amount.

Upon further inquiry and in response to a previous version, HB 576 (2019), officials from **MSU** indicated the primary negative fiscal impact would result from the prohibition on charging security fees or requiring a speaker or student group to obtain extra insurance or security. The result is that if additional insurance or security were appropriate for an event, the university would have to cover the cost. Additionally, negative fiscal impact could result from the cost of defense and potential legal liability if claims were made alleging that the university's policies or practices under this statute violated an individual's constitutional rights.

Oversight assumes this version of the proposal allows institutions to charge students security fees or to require insurance based on certain criteria.

ASSUMPTION (continued)

Officials from the **State Technical College of Missouri** assume the proposal will have a negative fiscal impact on their organization. The amount cannot be determined.

In response to a previous version, HB 576 (2019), officials from the **University of Central Missouri** assumed the proposal would have no fiscal impact on their organization.

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 not submitted to the Legal Expense Fund for payment.

Oversight received a limited number of responses from colleges and universities 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 the necessary approval to publish a new fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

House Amendment 2 - Sections 171.200 and 173.1551

Officials from the **Department of Elementary and Secondary Education** assume the proposal as amended will result in no cost to their organization.

Officials from the **Wellsville-Middletown R-1 School District** assume the proposal as amended will have no fiscal impact on their organization.

In response to a similar proposal, HCS for HB 743 & 673 (2019), officials from the **Department of Higher Education** assumed the proposal would have no fiscal impact on their organization.

In response to a similar proposal, HCS for HB 743 & 673 (2019), officials from **Lee's Summit R-7 School District** assumed this proposal would result in a fiscal impact of less than \$100,000.

In response to a similar proposal, HCS for HB 743 & 673 (2019), officials from the **Missouri State University** assumed the proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

In response to a previous version, HB 743 (2019), officials from the **Francis Howell School District, University of Central Missouri** and **State Technical College of Missouri** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a previous version, HB 743 (2019), officials from **Lewis County C-1 Schools** stated that there would be an undisclosed increase in legal fees associated with this proposal.

In response to a similar proposal, HB 1940 (2018), officials from the **Kirksville R-III School District, West Plains School District** and **Missouri Western State University** each assumed the proposal would have no fiscal impact on their organization.

Oversight notes that the most of responding organizations stated the proposal would not have a direct fiscal impact on their organization for these provisions. Oversight assumes that any increase in legal fees could be absorbed with existing resources. Oversight assumes the proposal will result in no fiscal impact.

House Amendment 3 - Section 173.1550

Oversight assumes this provision would require a faculty sponsor to be appointed by an institution if a student organization cannot secure one. Oversight assumes there could be administrative costs associated with this provision. Therefore, Oversight will show a range of impact of \$0 to an unknown cost.

Oversight received a limited number of responses from Colleges & Universities related to the fiscal impact of this provision. 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 the necessary approval to publish a new fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other Colleges & Universities were requested to respond to this provision but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE			
<u>Transfer Out</u> - to Legal Expense Fund - §173.1550	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
LEGAL EXPENSE FUND			
<u>Transfer In</u> - from General Revenue - §173.1550	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> - potential increase in litigation or claims against colleges and universities - §173.1550	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE LEGAL EXPENSE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
COLLEGE AND UNIVERSITY FUNDS			
<u>Cost</u> - potential increase in litigation or claims (not paid by the Legal Expense Fund) - §173.1550	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<u>Cost</u> - administrative cost - HA3 Section 1	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY FUNDS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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

Sections 171.200 and 173.1555 - HA2

This bill establishes the "Cronkite New Voices Act," which provides that in both public high schools and public institutions of higher education a student journalist has the right to exercise freedom of speech and of the press in school-sponsored media. The bill permits school districts and student-media advisors to regulate the number, length, frequency, and format of school sponsored media. School districts must adopt a written freedom of the press policy that includes reasonable provisions for the time, place, and manner of student expression. The policy may also restrict speech that is offensive or threatening. The bill forbids school districts from prior restraint of school sponsored media except in circumstances specified in the bill.

Section 173.1550

This bill modifies the Campus Free Expression Act. The bill requires the governing board of each public institution of higher education to adopt a policy on free expression by January 1, 2020. The free expression policy must be consistent with several principles of free speech specified in the bill. The free expression policy shall be made available to students and faculty annually. The bill also requires institutions to adopt a "student-on-student harassment" policy. The bill shall not be interpreted as prohibiting an institution from imposing restrictions on expressions that do not violate the United States Constitution or the Missouri Constitution.

Section 1 - HA3 - If a student organization cannot secure a faculty sponsor one shall be appointed by the institution.

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
Office of the Attorney General
Office of the State Courts Administrator
Missouri State University
State Technical College of Missouri
University of Central Missouri
Missouri Western State University
University of Missouri System
Lee's Summit R-7 School District
Lewis County C-1 Schools
Francis Howell School District
Wellsville-Middletown R-1 School District
Kirksville R-III School District
West Plains School District



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April 25, 2019

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April 25, 2019