

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1782-01
Bill No.: HB 837
Subject: Higher Education; Religion
Type: Original
Date: March 28, 2019

Bill Summary: This proposal prohibits public institutions of higher learning from discriminating against a religious student association or denying a religious student association any benefit available to any other student association.

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 | \$0 | \$0 |

| 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 Other 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 5 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

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 respective organizations.

Upon further inquiry, the **AGO** stated it is possible that the 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.

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.

Officials from **Missouri State University, State Technical College of Missouri** and **University of Missouri System** each assume the proposal will have no fiscal impact on their respective organizations.

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 notes that the responding colleges or universities have each stated the proposal would not have a direct fiscal impact on their respective organizations. However, Oversight assumes there could be an impact from potential increased 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 not submitted to the Legal Expense Fund for payment.

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.

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|------------------------------------|------------------------------------|------------------------------------|
| GENERAL REVENUE | | | |
| <u>Transfer Out</u> - to Legal Expense Fund | \$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 | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| <u>Cost</u> - potential increase in litigation or claims against colleges and universities | \$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 & UNIVERSITY FUNDS | | | |
| <u>Cost</u> - potential increase in litigation or claims (not paid by the Legal Expense Fund) | \$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

This bill prohibits public institutions of higher learning from taking any action or enforcing any policy that denies a religious student association benefits available to other student associations. The bill also prohibits discrimination against a religious student association based on its requirement that leaders of the association adhere to its sincerely held religious beliefs, religious practice requirements, or religious standards of conduct.

The bill also authorizes aggrieved religious student associations to seek appropriate relief in a judicial or administrative proceeding against a public institution of higher learning that violates the requirements of the bill.

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
Missouri State University
State Technical College of Missouri
University of Missouri System



Kyle Rieman
Director
March 28, 2019

Ross Strobe
Assistant Director
March 28, 2019