

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6425H.011
Bill No.: HB 2682
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Children and Minors; Civil Rights
Type: Original
Date: January 20, 2026

Bill Summary: This proposal renames the "Missouri Student Religious Liberties Act" the "Missouri Safeguarding Personal Expression at K-12 Schools (SPEAKS) Act" and creates provisions safeguarding students' political and ideological expression at public schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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)

***Oversight** notes this proposal opens the state to potential litigation for violations of §160.2500. Oversight assumes the impact could exceed the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Legal Expense Fund (1692)**	\$0	\$0	\$0
Other State 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)

***Oversight** notes this proposal opens the state to potential litigation for violations of §160.2500. Oversight assumes the impact could exceed the \$250,000 threshold.

**Distributions and transfers net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

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

***Oversight** notes this proposal opens the state to potential litigation for violations of §160.2500. Oversight assumes impact could exceed the \$250,000 threshold.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

***Oversight** notes this proposal opens school districts to potential litigation for violations of §160.2500.

FISCAL ANALYSIS

ASSUMPTION

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

§160.2500 - Missouri Safeguarding Personal Expression at K-12 Schools (SPEAKS) Act

Officials from the **Office of Attorney General (AGO)** assume 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.

Officials from the **Office of Administration** assume this provision waives immunity and has the potential to increase costs to the state Legal Expense Fund (LEF) for actions alleging violation of this provision against a public state school 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.

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 Office of Administration - Risk Management (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 1 below shows historical LEF costs broken down for GR versus Federal Funds/Other Funds.

Table 1: Legal Expense Fund payments from GR and Fed/Other

	GR	Fed/Other	Total	GR %	Fed/Other %
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%
FY 25	\$25,380,006	\$514,512	\$25,894,518	98%	2%
Total	\$87,698,368	\$2,982,765	\$90,681,133	96.25%	3.75%

Source: Office of Administration

Oversight does not have any information contrary to that provided by OA. Therefore, Oversight will reflect OA's potential unknown impact for fiscal note purposes to the State Legal Expense Fund. Oversight notes the Legal Expense Fund is funded by the General Revenue Fund as well as other state funds and federal funds. Oversight notes this possible litigation exposure as described by OA could also apply to school districts.

Officials from the **Department of Elementary and Secondary Education** and **Missouri Office of Prosecution Services** 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.

Officials from the **High Point R-III School District** assume the proposal will have a fiscal impact on their organization.

In response to similar legislation, SB 909 (2026), officials from the **Republic R-III School District** assumed this proposal will have a fiscal impact (hard to quantify) because it seems to be opening public institutions to legal claims. Thus, school districts will have to pay their liability insurance companies more.

Oversight notes §160.2500.11 states any person or student organization who is harmed by a violation of this section or whose rights under this section are violated shall have a private cause of action against the public school for declaratory and injunctive relief, monetary damages, reasonable attorney's fees and costs, and any other appropriate relief.

Oversight assumes there could be potential litigation cost for school districts based on §160.2500.11 stating any person or student who is harmed by a violation or whose rights are violated under this section shall have a private cause of action against public schools. Therefore, Oversight will reflect a zero (no litigation) or unknown cost to school districts in the fiscal note.

Oversight notes §160.2500.14 waives the state's immunity under the Eleventh Amendment to the United States Constitution and consents to be sued in federal court for claims arising under §160.2500.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. 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. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Transfer Out – OA (\$160.2500) To the Legal Expense Fund p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
OTHER STATE FUNDS			
<u>Transfer Out – OA (\$160.2500) To the State Legal Expense Fund for potential increase in litigation p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
FEDERAL FUNDS			
<u>Transfer Out – OA (\$160.2500) To the State Legal Expense Fund for potential increase in litigation p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT TO FEDERAL FUNDS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
LEGAL EXPENSE FUND (1692)			
<u>Transfer In – (\$160.2500) From General Revenue, other State and Federal funds p.3</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost – OA (\$160.2500) Potential increase in litigation p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LEGAL EXPENSE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – School Districts (\$160.2500)</u> <u>Litigation for violations p.4</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill renames the "Missouri Student Religious Liberties Act" to the "Missouri Safeguarding Personal Expression at K-12 Schools (SPEAKS) Act". The Act adds political and ideological expression to the current protections for public school students' religious expression.

The bill additionally prohibits discrimination against student clubs on the basis of their religious, political, or ideological viewpoints or any requirement that the members of the club adhere to the club's sincerely held beliefs, comply with the club's conduct standards, or further the club's mission, as such mission is defined by the club.

This bill must not be construed to limit school districts' ability to restrict speech that is not protected by the First Amendment to the Constitution of the United States; speech that is so offensive that a student is effectively denied equal access to educational opportunities; or conduct that intentionally, materially, and substantially disrupts school operations or the expressive activity of another individual in a campus space exclusively reserved for such activity.

Any person or student organization harmed by a violation of this Act will have a private cause of action against the school, as specified in the Act. Any person or student organization aggrieved by a violation of this Act may assert such violation as a defense or counterclaim in any disciplinary action or in any civil or administrative proceeding. The State waives immunity under Federal law and consents to be sued in Federal court for claims arising under this Act.

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 Elementary and Secondary Education

Attorney General's Office

Office of Administration

Republic R-III School District

Highpoint R-III School District



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Director

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