

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3785H.011  
 Bill No.: HB 1475  
 Subject: Education, Elementary and Secondary; Education, Higher; Education, Proprietary;  
 Elementary and Secondary Education, Department of; Higher Education and  
 Workforce Development, Department of; Teachers; Health, Public  
 Type: Original  
 Date: January 24, 2022

Bill Summary: This proposal prohibits educational institutions from mandating COVID-19 vaccines or gene therapy treatments.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	(Less than \$100,000) to Unknown	(Less than \$100,000) to Unknown	(Less than \$100,000) to Unknown
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Less than \$100,000) to Unknown</b>	<b>(Less than \$100,000) to Unknown</b>	<b>(Less than \$100,000) to Unknown</b>

\*Oversight assumes the amount of fine revenue received by Department of Elementary and Secondary Education and Department of Economic Development (if any) would not reach the \$250,000 threshold.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
University & Community College Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Federal Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*Potentially significant loss of federal funds depending upon rulings by the courts and actions taken by the federal government.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** assume Sub-Section 3 requires that DESE assess a fine to violators of this section, and to suspend or revoke a teaching certificate if the violator holds one. These actions will require hearings and appeals.

Based on this proposed language, the Office of Governmental Affairs estimates costs of less than \$100,000. These costs which will be dependent on the number of hearing appeals the State Board receives and will include:

- Hearing officer time for hearing and drafting recommendations for the State Board;
- Administrative assistant time to schedule hearings, provide notice to parties and any settlement negotiations;
- Court reporter costs;

For cost explanation purposes, the average cost for a teacher discipline hearing is \$566.55/hearing:

- Average of 3 hours of hearing officer time x average of \$58.08/hour
- Average of 7 hours administrative assistant time x \$31.08/hour
- Average of \$174.75 in court reporter costs/hearing.

Officials from the **Attorney General's Office, Department of Higher Education and Workforce Development, Department of Commerce and Insurance** and the **Office of Administration** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes this proposal creates a fine of up to \$5,000 for employees that violate sections in this proposal. Oversight notes this proposal does not specify what fund these fines would be credited to. For purposes of this fiscal note, Oversight assumes the fines would be deposited into General Revenue. Alternatively, the Office of Administration could create a fund administratively to keep these revenues separate. Oversight will show a range of impact for these fines of \$0 (no fines administered) to an unknown gain in revenue.

Officials from the **University of Missouri System** state, if the federal mandate is upheld by the courts and this bill prohibits compliance with the federal mandate, the university would lose in excess of \$76 million of federal contracts. If the federal mandate is upheld as a condition of participation in Medicare and Medicaid and this bill prohibits compliance with the federal mandate, it could result in a loss of \$547.4 million annually. The proposed statute would create a new potential source of liability for the University, however, it is not possible to identify a significant fiscal impact at this time.

Officials from the **University of Central Missouri** assume there will be indeterminate fiscal costs due to uncertainty of application.

**Oversight** will show a potential loss of federal funds for Universities due to non-compliance with the federal mandate.

Additionally, **Oversight** notes that this provision may prompt a cause of action against colleges, universities, and public schools for violations of this proposal. Oversight notes, in rare circumstances, universities and community colleges can access the state Legal Expense Fund. However, for purposes of this fiscal note, Oversight assumes colleges and universities will bear the cost of any litigation or judgment. Oversight will range the fiscal impact to colleges, universities and public schools from \$0 (does not increase litigation) to an unknown cost for damages and court costs.

**Oversight** received a limited number of responses from school districts, universities and colleges 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.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DESE - hearings and appeals - §161.581 & §173.581	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Income</u> - DESE - revenue from up to \$5,000 fine imposed on school employees holding a certificate of license to teach - §161.581.3 (2)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Income</u> - DHEWD - revenue from up to \$5,000 fine imposed on employees possessing a license issued by any department - §173.581.3 (2)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Less than \$100,000) to Unknown</b>	<b>(Less than \$100,000) to Unknown</b>	<b>(Less than \$100,000) to Unknown</b>
<u>FISCAL IMPACT – State Government Continued</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>UNIVERSITY &amp; COMMUNITY COLLEGE FUNDS</b>			
<u>Costs</u> - civil action for damages and court costs - §173.581.3 (3)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON UNIVERSITY &amp; COMMUNITY COLLEGE FUNDS</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>
<b>FEDERAL FUNDS</b>			

<u>Loss</u> - potential loss of federal funds due to non-compliance with federal mandate - §173.581	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>PUBLIC SCHOOLS</b>			
<u>Costs</u> - civil action for damages and court costs - §161.581.3 (3)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON PUBLIC SCHOOLS</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Beginning in the 2022-23 school or academic year this bill prohibits school districts, public schools, and institutions of higher education along with their employees from requiring any employee or student to receive a COVID-19 vaccine or gene therapy treatment in order to be physically present at any events, premises, or facilities. Additionally, a vaccine may not be required as a condition for employment or for acceptance as a student. Testing for COVID-19 may not be done without written consent of the school employee, student, or in the case of a minor student by all parents or guardians.

The Department of Elementary and Secondary Education and the Department of Higher Education and Workforce Development are authorized to investigate and report violations and penalty provisions are outlined in the bill.

The bill allows civil action to be taken against an individual who violates the provisions of this section for any physical, mental or emotional injury.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Attorney General's Office

Department of Commerce and Insurance

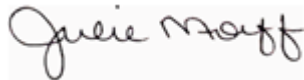
Department of Elementary and Secondary Education

Department of Higher Education and Workforce Development

Office of Administration

University of Missouri System

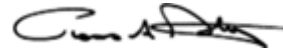
University of Central Missouri



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January 24, 2022



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