

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3629H.011  
Bill No.: HB 1465  
Subject: Health, Public; Political Subdivisions; Business and Commerce; Transportation  
Type: Original  
Date: January 24, 2022

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Bill Summary: This proposal prohibits certain vaccine mandates.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
College & University	\$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>

\*The potential “(Unknown)” fiscal impact to various state agencies could be quite substantial, depending upon decisions 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</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §191.722 – Prohibits certain vaccine mandates

Officials from the **Department of Mental Health (DMH)** state due to the uncertainty surrounding a federal vaccination mandate, the DMH cannot calculate a fiscal impact on the Department at this stage; therefore, the fiscal impact to the DMH is unknown at this time.

Officials from the **Department of Corrections (DOC)** state HB 1465 prohibits business entities requiring vaccine passports from being eligible for grants or contracts funded through state revenue.

This will have an unknown operational impact, and potentially, a fiscal impact, on the DOC. Operationally, the DOC does not know the vaccination policy of all current vendors and staff would be required to determine the policy of companies that are bidding on contracts to determine whether they are in compliance with this legislation. This could delay DOC's purchasing process as it will be another condition that the department will need to verify before awarding a contract. It may also have a fiscal impact as it reduces the number of vendors that could retain their contract or be awarded a contract, thus limiting responsive offers in the competitive bid process, which could result in a negative fiscal impact to the department.

Additionally, Missouri Vocational Enterprises has a contract with the University of Missouri Health Care and Clinics, who currently require their employees be vaccinated. The loss of this contract would result in the loss of revenue to MVE in excess of \$1 million annually.

**Oversight** does not have any information to the contrary. In recent weeks, the Supreme Court ruled that vaccine mandates could only be required for health care entities receiving federal Medicare and Medicaid funds. Since the DMH and the DOC contract with entities whose employees would be required to be vaccinated, Oversight will present a fiscal impact of (\$0 to Unknown, exceeding \$250,000) for both the General Revenue Fund and Federal Funds for various state agencies.

Officials from the **Office of Administration (OA)** state the proposed legislation will require OA Purchasing to develop internal processes and self-certification/attestation form/language/exhibits. OA-Purchasing will then need to amend existing contracts to include the self-certification/attestation documents and for new procurements include vendor/contractor self-certification/attestation language and exhibits to ensure that contracts are not awarded to such entities that have the stipulations in the proposed legislation. OA-Purchasing assumes this would take approximately 1,000 hours of staff time at \$20.00 per hour (total \$20,000) to develop the internal processes, forms/language/ exhibits, issue amendments for all existing contracts, and to include the forms/language/exhibit to any new procurements. Where an existing contractor will not agree, the contract will need to end and be rebid; however, there is no way to estimate such

impact for rebids. Therefore, OA-Purchasing estimates the total fiscal impact of this bill to be at least \$20,000. At this time, it is believed that the additional staff time and resources can be absorbed by OA-Purchasing. However, if there are multiple pieces of legislation passed where OA-Purchasing has responded that the costs can be absorbed, OA-Purchasing would need to reevaluate to see if additional staff and associated expenses would then be required.

Additional fiscal impact could also result if OA-Purchasing's assumption is incorrect that compliance with this bill can be achieved with a self-certification/attestation form. The bill language does not require OA-Purchasing to take any specific steps to investigate contractor's compliance with this requirement, but if such compliance checks are implied, then fiscally the impact would be higher. Note that OA-Purchasing can only address those contracts issued by it, and each state agency would have to do their own compliance checks or reviews for every one of its purchases and contracts covered by the law.

This bill could also have an unknown fiscal impact on state agency operations; however, the Division of Purchasing cannot estimate the impact to any of the state agencies. Every state agency that purchases goods and services under its local authority appears to be covered by this bill. In the instances of sole source or critical contracts (i.e. emergency contracts such as the pandemic where there are supply shortages), having such a stipulation could mean that certain vendors could not be used which in certain circumstances may leave the state without the ability to secure required products/services. Furthermore, since the proposed legislation has no minimum dollar figure, the language in subsection 5 prohibits doing business with anyone which may be problematic for small dollar purchases where departments are using their p-card to make purchases in a retail setting.

**Oversight** does not have any information to the contrary. Oversight assumes OA has sufficient staff and resources to absorb the fiscal impact of this proposal but notes, depending on the number of bills passed this legislative session which may require OA to absorb minimal costs, OA may need to request additional funding through the appropriations process.

Officials from the **Boone County Commissioner's Office** assume the proposal will have a fiscal impact. **Oversight** notes however, the Commissioner's Office did not provide any additional details regarding the potential fiscal impact. Therefore, Oversight assumes any impact can be absorbed within current funding levels.

Officials from **Missouri State University** state if the bill's reference to "business entities" includes public institutions of higher education, the bill will have a negative fiscal impact of an undetermined amount. Specifically, if Executive Order 14042 remains in effect, the legislation could result in termination of approximately \$5 million in contracts between Missouri State University and the federal government.

**Oversight** does not have any information to the contrary. As it is unknown how many institutions of higher education may be impacted by this proposal, Oversight will reflect a (\$0 to Unknown, exceeding \$250,000) fiscal impact to College and University Funds.

Officials from the **Attorney General's Office**, the **Administrative Hearing Commission**, the **OA**, **Division of Budget and Planning**, the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, **Divisions of: Alcohol & Tobacco Control, Capitol Police, Fire Safety, Director's Office, Gaming Commission, Missouri National Guard, Missouri Highway Patrol, Missouri Veterans Commission** and the **State Emergency Management Agency**, the **Department of Social Services**, the **Missouri Department of Agriculture**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri Department of Transportation**, the **MoDOT & Patrol Employees' Retirement System**, the **Petroleum Storage Tan Insurance Fund**, the **Office of the State Public Defender**, the **University of Missouri**, the **Cities of: Claycomo, Kansas City and Springfield**, the **Jackson County Elections Authority**, the **Kansas City Board of Elections**, the **Platte County Election Authority**, the **St. Louis County Election Authority**, the **Kansas City Health Department**, the **Newton County Health Department**, the **St. Louis County Health Department**, the **Greene County Clerk's Office**, the **Phelps County Sheriff's Department**, the **El Dorado Springs Police Department**, the **Kansas City Police Department**, the **Rich Hill Police Department**, the **St. Louis County Police Department**, the **Cole Camp Ambulance District**, the **Nodaway County Ambulance District**, the **University of Central Missouri**, **St. Charles Community College**, the **Office of the Governor**, the **Office of the State Auditor**, the **Office of the State Treasurer**, the **Missouri House of Representatives**, the **Joint Committee on Public Employee Retirement**, **Legislative Research**, the **Oversight Division**, the **Missouri Senate**, the **Missouri Lottery**, the **Missouri Consolidated Health Care Plan**, the **Missouri Office of Prosecution Services**, the **Missouri State Employee's Retirement System**, the **Office of the State Courts Administrator** and the **State Tax Commission** 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.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the

office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of the Lieutenant Governor** did not respond to **Oversight's** request for a statement of fiscal impact.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other cities, local election authorities, various county officials, county health departments, nursing homes, sheriffs' and police departments, fire protection districts, ambulance & EMS, schools, hospitals, and colleges and universities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in Oversight's database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>GENERAL REVENUE FUND</b>			
<u>Costs – State Agencies (§191.722) p. 3</u>			
Termination of contracts because of vaccination mandate	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>
<b>COLLEGE &amp; UNIVERSITY FUNDS</b>			
<u>Costs – Colleges &amp; Universities (§191.722) p. 4 &amp; 5</u>			
Termination of contracts with the federal government	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON COLLEGE &amp; UNIVERSITY FUNDS</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>
<u>FISCAL IMPACT – State Government (continued)</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>FEDERAL FUNDS</b>			
<u>Costs – State Agencies (§191.722) p. 3</u>			
Termination of contracts because of vaccination mandate	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal may have an impact on small businesses. (§191.722)

FISCAL DESCRIPTION

This bill specifies that no entity within the state may require documentation of vaccination status to access public transportation systems. The bill also prohibits any governmental entity from issuing vaccine passports in order to share with a third party or otherwise publish a person's vaccination record. Businesses in the state would also be prohibited from requiring a customer to provide documentation of COVID-19 vaccination or immunity in order to gain entry to, or services from, the business. Any business that fails to comply with these provisions would lose eligibility for grants or contracts funded by state revenue. However, these provisions would not restrict a business from instituting COVID-19 screening protocols in accordance with state and federal law in order to protect public health.

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

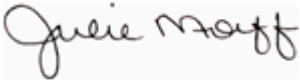
- Attorney General’s Office
- Office of Administration –
  - Administrative Hearing Commission
  - Budget and Planning
  - Division of Purchasing
- Department of Commerce and Insurance
- Department of Economic Development
- Department of Elementary and Secondary Education
- Department of Higher Education and Workforce Development
- Department of Health and Senior Services
- Department of Mental Health
- Department of Natural Resources
- Department of Corrections
- Department of Labor and Industrial Relations
- Department of Revenue
- Department of Public Safety –



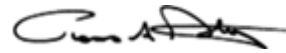
Alcohol & Tobacco Control  
Capitol Police  
Fire Safety  
Director's Office  
Gaming Commission  
Missouri National Guard  
Missouri Highway Patrol  
Missouri Veterans Commission  
State Emergency Management Agency  
Department of Social Services  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Missouri Ethics Commission  
Missouri Department of Transportation  
MoDOT & Patrol Employees' Retirement System  
Petroleum Storage Tank Insurance Fund  
Office of the Secretary of State  
Office of the State Public Defender  
University of Missouri  
City of Claycomo  
City of Kansas City  
City of Springfield  
Jackson County Election Authority  
Kansas City Board of Elections  
Platte County Election Authority  
St. Louis County Election Authority  
Kansas City Health Department  
Newton County Health Department  
St. Louis County Health Department  
Greene County Clerk's Office  
Boone County Commissioner's Office  
Phelps County Sheriff's Department  
El Dorado Springs Police Department  
Kansas City Police Department  
Rich Hill Police Department  
St. Louis County Police Department  
Cole Camp Ambulance District  
Nodaway County Ambulance District  
Missouri State University  
University of Central Missouri  
St. Charles Community College  
Office of the Governor  
Office of the State Auditor  
Office of the State Treasurer

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Missouri House of Representatives  
Joint Committee on Administrative Rules  
Joint Committee on Public Employee Retirement  
Legislative Research  
Oversight Division  
Missouri Senate  
Missouri Lottery  
Missouri Consolidated Health Care Plan  
Missouri Office of Prosecution Services  
Missouri State Employee's Retirement System  
Office of the State Courts Administrator  
State Tax Commission



Julie Morff  
Director  
January 24, 2022



Ross Strobe  
Assistant Director  
January 24, 2022