

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6366-01  
Bill No.: HJR 93  
Subject: Constitutional Amendments; Cities, Towns and Villages; Counties; County Government; Taxation and Revenue - General  
Type: Original  
Date: March 4, 2016

Bill Summary: This legislation proposes a constitutional amendment authorizing a downsizing state government commission.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
General Revenue	\$0 or (More than \$7,100,000)	\$0	\$0	(\$282,402)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (More than \$7,100,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$282,402)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2024)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2024)</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2024)</b>
General Revenue	0	0	0	2
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2024)</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and Expenses net to zero.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Governor** assume this proposal establishes a Downsizing State Government Commission which includes 5 gubernatorial appointees. There should be no added cost to the Governor's Office as a result of this measure. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Missouri Senate** and the **Missouri House of Representatives** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Secretary of State** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

The Secretary of State's Office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's Office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY15, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and the SOS was appropriated \$1.19 million to publish the full text of the measures.

ASSUMPTION (continued)

Also in FY15, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). The SOS assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

**Oversight** assumes the SOS could absorb the costs of advertising the statewide ballot measure related to this proposal within their current appropriation level. If multiple bills pass or if multiple ballot initiatives are validated which require similar advertising at substantial costs, the SOS could request funding through the appropriation process.

**Oversight** has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2016. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. The next scheduled statewide primary election is in August 2017 and the next scheduled general election is in November 2016 (FY 2017). It is assumed the subject within this proposal could be on one of these ballots; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2017.

Officials from the **Office of Administration (OA)** assume the Commission members would be appointed in January 2023. OA assumes Missouri's population will be reported to the US President in December 2020 (based on prior years reporting dates). The next general election would be in November 2022. Thus, OA has estimated costs for FY2023, FY 2024, FY2025, FY2026 and FY2027. OA assumes for purposes of the fiscal note that the commission exists for four years and that the commission is disbanded in Jan 2027. It is not known which will occur first at this time, adoption of plan or 4 years after members are appointed. OA has increased costs by applicable rates (1% PS, 2.5% and 3% EE) from FY2016 to FY2023 to estimate costs.

OA assumes that 2 FTE would be needed to assist the 15 member Commission in the performance of their duties, 1 Executive Director (\$92,119 annually) and 1 Administrative Assistant (\$45,030 annually). OA assumes that the Commission will meet at least monthly and hold at least one public hearing in each congressional district. OA assumes 12 meetings per year.

ASSUMPTION (continued)

OA assumes that equipment would be purchased in (FY2023) one-time costs for 2 FTE. Office supplies and telecom rates would be ongoing costs for 2 FTE.

OA assumes a court reporter would be hired on an hourly basis to attend meetings.

Court Report Costs: \$35.66 (2023 rate) per hour x 8 hours x 12 meetings per year  
Transcription Costs: \$4.75 (2023 rate) per page x 50 pages x 12 meetings

Travel and Other Costs for Downsizing State Government Commission:

OA assumes 12 meetings per year. It is assumed that the Commission will meet at least monthly and hold at least one public hearing in each congressional district. OA also assumes that staff travels to the meetings. OA assumes there are 6 additional meetings in Jefferson City per year.

OA assumes the congressional meetings would be held in the following cities at college campuses: St. Louis (UMSL), Kirkwood, Jefferson City, Warrensburg, Kansas City, Kirksville, Springfield & Cape Girardeau. 15 Committee members and 2 staff would travel to these cities and incur costs for mileage, meals, and lodging. It is also assumed that there costs for members to travel to Jefferson City.

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2024)
<b>GENERAL REVENUE FUND</b>				
<u>Expense -</u>				
reimbursement of local political subdivisions for special election costs	\$0 or (More than <u>\$7,100,000</u> )	\$0	\$0	\$0
<u>Costs - OA</u>				
Salaries	\$0	\$0	\$0	(\$138,520)
Fringe Benefits	\$0	\$0	\$0	(\$78,001)
Equipment & Expense	\$0	\$0	\$0	<u>(\$65,881)</u>
<u>Total Costs - OA</u>	\$0	\$0	\$0	<u>(\$282,402)</u>
FTE Change - OA	0 FTE	0 FTE	0 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0 or (More than \$7,100,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>(\$282,402)</u></b>
Estimated Net FTE Change on the General Revenue Fund	0 FTE	0 FTE	0 FTE	2 FTE

<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2024)
<b>LOCAL POLITICAL SUBDIVISIONS</b>				
<u>Income</u> - cost reimbursement from the State for special election	\$0 or More than \$7,100,000	\$0	\$0	\$0
<u>Expense</u> - cost for special election	\$0 or (More than \$7,100,000)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Upon voter approval, this proposed constitutional amendment creates a recurring commission which will examine downsizing state government with an eye toward making it more effective and efficient. The commission will have 15 members appointed for four year terms with the Speaker of the House of Representatives and the President Pro Tem of the Senate each appointing three members. The remaining membership and terms are specified in the bill. The commission will meet once per month and must meet in each Congressional district in the state two times during the four-year term in office period for members of the commission.

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

L.R. No. 6366-01  
Bill No. HJR 93  
Page 8 of 8  
March 4, 2016

SOURCES OF INFORMATION

Office of Administration  
Office of the Governor  
Missouri House of Representatives  
Missouri Senate  
Office of the Secretary of State



Mickey Wilson, CPA  
Director  
March 4, 2016

Ross Strobe  
Assistant Director  
March 4, 2016