

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1851-02
Bill No.: SB 355
Subject: Governor & Lt. Governor; General Assembly; Boards, Commissions, Committees, Councils
Type: Original
Date: April 4, 2011

Bill Summary: Modifies provisions regarding gubernatorial appointments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** state the Governor's Office employs three staff members to research, track, and maintain governor appointments to over 250 state boards and commissions. This proposal would require additional research into certain appointee's records (and his or her spouse's records) to ensure that there is no financial interest in the subject regulated by the board or commission. These records would include financial statements (including investments, stocks, and bonds), employment history, organizational affiliations, and thorough background checks. Staff time dedicated to these extensive searches will take away time needed to vet new individuals for appointments, fill vacancies, and maintain quorum on other boards and commissions. The current database that tracks these appointments would need to be updated to reflect the additional checks to ensure the appointee has no financial interest at stake. The GOV estimates that the infrastructure to comply with these changes and the increased staff time will cost an unknown amount not to exceed \$100,000.

This proposal would also extend the period in which the Ethics Commission would be required to reveal all political contributions made by the appointee from four to ten years. The GOV defers to the Ethics Commission for an estimate regarding the costs to comply with this change.

Officials from the **Missouri Ethics Commission (MEC)** assume the proposal will result in a fiscal impact of approximately \$9,280 for data entry of the information (1,000 hours X \$9 per hour). The MEC does not currently have the information required by the proposal in an electronic format that would allow searching capabilities.

Oversight assumes the Governor makes gubernatorial appointments on an as needed basis throughout the year. Therefore, **Oversight** assumes the MEC could absorb the costs associated with the data entry of information as there would not likely be a significant number of appointments occurring for extended periods of time.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Costs - GOV</u>			
Database updates and other costs	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2012 (10 Mo.)	 FY 2013	 FY 2014
	<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

Currently, a prospective gubernatorial appointee to a board or commission must file a financial statement detailing all political contributions made within the four-year period prior to such appointment. This proposal increases that time period to the ten year period prior to such appointment.

For all gubernatorial appointments made after August 28, 2011, where the appointee is designated as a "public member", "consumer representative", "patient advocate" or similar designation where specialized knowledge is not a prerequisite to appointment, this proposal requires that such members shall not have, or have had, a financial interest in the subject regulated by the board or commission within at least the five years immediately preceding appointment. Further, such appointees shall not be, or have been, an employee of the state of Missouri within at least the five years immediately preceding appointment.

When state law requires that an organization or association recommend a prospective member of a board or commission, such organization or association must send a written letter of recommendation to the governor prior to the prospective member being appointed to such board

FISCAL DESCRIPTION (continued)

or commission. No employee, or person on behalf of an employee, of the executive branch of the state of Missouri shall request that the organization or association recommend a specific individual for membership on such board or commission.

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

Office of the Governor
Missouri Ethics Commission



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Director
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