

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5430-02
Bill No.: SCS for SJR 47
Subject: Constitutional Amendments; Religion; Education, Elementary and Secondary
Type: Original
Date: March 19, 2012

Bill Summary: This proposal removes a portion of the Missouri Constitution that prohibits distribution of public funds to religious organizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or (More than \$7,000,000)	(More than \$272,867,835)	(More than \$272,867,835)
Total Estimated Net Effect on General Revenue Fund	\$0 or (More than \$7,000,000)	(More than \$272,867,835)	(More than \$272,867,835)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
State Schools Monies Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Higher Education (DHE)** state this proposal may have a negative impact on the (DHE) as additional funds may be required to fully fund state aid programs which may be required to provide aid to certain students which do not currently qualify for such aid under the programs. The extent of that potential negative impact is unknown.

Officials from the **Department of Elementary and Secondary Education (DES)** state the phrase “to benefit children attending any public or nonpublic...” would include religious, private secular, and home school students. The nonpublic enrollment count as of Fall 2010 was 83,502. Currently the average distribution of state funding is \$3,267.80 per weighted average daily attendance. It would be impossible to know, but if each nonpublic school student received the same amount, the potential cost to the state for foundation formula equivalent spending could be \$272,867,835 based upon current amounts distributed through the formula.

Oversight assumes for fiscal note purposes the potential cost to the state for foundation formula equivalent spending is accurate. According to DES, transportation is not included in the cost provided; therefore Oversight will range the cost to DES as (More than \$272,867,835). Oversight assumes this legislation would not be put into effect until after FY 2013 and therefore will show cost starting in FY 2014.

Officials at the **Office of the Secretary of State (SOS)** assume unless a special election is called for the purpose, joint resolutions are submitted to a vote of the people at the next general election. 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. Article III section 52(b) of the Missouri Constitution authorizes the General Assembly to order a special election for measures referred to the people and Article XII section 2(b) authorizes the governor to call a special election to submit constitutional amendments to a vote of the people.

The SOS 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.

ASSUMPTION (continued)

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 FY 2011, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$1.02 million to publish (an average of \$170,000 per issue).

Therefore, the Secretary of State's office 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 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 2013. 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 general election is in November 2012 (FY 2013). It is assumed the subject within this proposal could be on that ballot; 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 2013.

To estimate the expense the state would incur for reimbursing local political subdivisions for a special election, Oversight requested expense estimates from all election authorities for an election. Eighty-six out of the one hundred fifteen election authorities responded to Oversight's request. From these respondents; the total election expense that would have to be reimbursed by the state government is over \$7 million. Therefore, Oversight will reflect a potential cost borne by the state in FY 2013 of over \$7 million for reimbursement to the local political subdivisions. Oversight assumes the Governor could call for a special election to be held prior to November 2012 regarding this joint resolution; however, if a special election is not called, the subject will be voted on at the general election in November, 2012.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Transfer Out</u> - reimbursement of local election authorities for election costs	\$0 or (More than \$7,000,000)	(More than <u>\$272,867,835</u>)	(More than <u>\$272,867,835</u>)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0 or (More than \$7,000,000)</u>	<u>(More than \$272,867,835)</u>	<u>(More than \$272,867,835)</u>
STATE SCHOOLS MONIES FUND			
<u>Transfer In</u> - Department of Elementary and Secondary Education benefits to nonpublic schools	<u>\$0</u>	More than \$272,867,835	More than \$272,867,835
<u>Cost</u> - Department of Elementary and Secondary Education benefits to nonpublic schools	\$0	(More than <u>\$272,867,835</u>)	(More than <u>\$272,867,835</u>)
ESTIMATED NET EFFECT TO THE STATE SCHOOLS MONIES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL ELECTION AUTHORITIES			
<u>Income</u> - cost reimbursement from the State for election cost	\$0 or More than \$7,000,000	\$0	\$0
<u>Expense</u> - cost for election	\$0 or (More than <u>\$7,000,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO LOCAL ELECTION AUTHORITIES	<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.

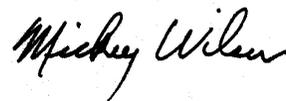
FISCAL DESCRIPTION

This proposed constitutional amendment, if approved by voters, would modify Article IX, Section 8, commonly referred to as the "Blaine Amendment" by removing the prohibition on the distribution of public moneys to religious organizations. Instead, it provides that nothing will prohibit the enactment of legislation pertaining to any education program, funding, or other support to benefit children attending any Missouri public or nonpublic elementary or secondary school, so long as the legislation complies with the requirements of the First Amendment to the United States Constitution.

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 Secretary of State
Department of Elementary and Secondary Education
Department of Higher Education
Office of the Governor



Mickey Wilson, CPA
Director
March 19, 2012