

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0739-07
Bill No.: SCS for SJR 13
Subject: Constitutional Amendments; General Assembly
Type: Original
Date: March 4, 2019

Bill Summary: This proposal modifies provisions relating to members of the General Assembly.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0	\$0 or Less than \$2,069,331
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0	\$0 or Less than \$2,069,331

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on FTE	0	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Local Government	\$0	\$0	\$0	\$0

* Transfer out and transfer in net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** 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, §115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

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. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

The SOS will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. 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 again change the amount or continue to not designate it as an estimated 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 2020. This reflects the decision made by the Joint Committee on Legislative Research, that

ASSUMPTION (continued)

the cost of the elections should be shown in the fiscal note. The next scheduled statewide primary election is in August 2020 and the next scheduled general election is in November 2020 (FY 2021 for both). 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 2020.

Officials from the **Missouri Senate (SEN)** anticipates a direct negative fiscal impact due to the costs of adding 5 new Senatorial districts. Additionally, the proposed cost of living adjustment will have a negative fiscal impact to the statutory appropriation that is unknown due to not knowing the potential percentage of increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers.

The SEN estimates a Statutory fiscal impact of \$230,979 ($\$46,195.80 \times 5$) which includes:

Senators Mileage of $\$1,961 \times 5$ for a total of \$9,805 (Statutory Appropriation - average total miles of current senators used in calculation $265 \times .37 \times 20$ weeks).

Senators' Per Diem of $\$8,344 \times 5$ for a total of \$41,720 (Statutory Appropriation - current daily per diem $\$119.20 \times 70$ est total session days).

Senators' Salary of $\$35,890.80 \times 5$ for a total of \$179,454 (Statutory Appropriation - current legislator salary $\$1,495.45 \times 24$ pay periods).

The SEN estimates a senate contingent fiscal impact of \$1,481,320 which includes:

Chamber reconfiguration of \$400,000 (Cost to reorganize all desks, buy a new desk and chair, and to recarpet the chamber).

Desk Purchases of $\$3,000 \times 5$ for a total of \$15,000

Chair Purchases of $\$1,000 \times 39$ for a total of \$39,000 (would need to replace all chairs so they match)

Electrical & Data in Chamber of \$350,000 (Cost for new console, conduit, data and sound, electrical jacks and microphone).

Phones and Licenses of $\$1,200 \times 5$ for a total of \$6,000 (cost to purchase new phones and licenses for 1 new senator and 2 new office staff).

ITSD Cost of $\$5,800 \times 5$ for a total of \$29,000 (Cost to purchase 3 new computers, a printer, monitors, scanner, mice/keyboards, label maker, MS licenses).

Office Furniture of $\$7,900 \times 5$ for a total of \$39,500 (Cost to purchase 3 new desks \$3,600, conference table \$1,800 and 10 chairs \$2,500).

Office Space Unknown cost

ASSUMPTION (continued)

Annual Budget \$120,564 x 5 for a total of \$602,820 (Senators annual budget to pay personnel, mailings, district travel and office expenses).

In summary, the Missouri Senate assumes a total cost of could exceed \$1,712,299.

Oversight is unable to verify the estimates provided by the Missouri Senate. Oversight has requested additional information regarding these estimates. Upon the receipt of additional information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes 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. Therefore, Oversight will reflect the SEN costs as \$0 or \$1,712,299 in FY 2023 on the fiscal note. Oversight will also assume a cost in FY 2023 of a 1.5% pay increase for the Senators for a cost of \$20,996 ($39 \times \$35,891 \times 1.5\%$).

Officials from the **Missouri House of Representatives (MHR)** assume the proposal's fiscal impact is not realized until FY 23. Estimated annual savings from reduction of membership from 163 to 117 is \$3,865,657 (\$1,652,090 for member salaries, \$386,400 for expense accounts, \$1,357,000 for LA salaries, \$383,824 for session per diem and \$86,343 for session mileage). The estimated annual cost to give the remaining 117 members an estimated 1.5% CPI pay increase in FY 23 is \$63,031 ($117 \times \$35,915 \times 1.5\%$). Includes costs for a full year, but note that year one would include all of the session savings, but only half-year savings for member and LA salaries and member expense accounts.

Oversight notes 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. Therefore, Oversight will reflect the MHR savings as \$0 or \$3,865,657 in FY 2023 on the fiscal note.

Oversight notes the first full year of support staff salaries will be in FY 2024. However, for simplicity and to show the capital improvement cost estimates of the Senate, Oversight will reflect a fully implemented year of FY 2023 - the first session of the 102nd General Assembly.

Officials from the **Office of Administration, State Auditor's Office, and Attorney General's Office** assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes that the Office of Administration, Attorney General's Office, and State Auditor's Office have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
GENERAL REVENUE FUND				
<u>Savings - MHR</u> membership reduction from 163 to 117				
Mileage, per diem, salary	\$0	\$0	\$0	\$0 or \$1,743,400
Expense accounts, LA salaries	\$0	\$0	\$0	\$0 or \$2,122,257
Cost - MHR - pay increase for members	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (\$63,031)</u>
<u>Total Net Savings -</u> <u>MHR</u>	\$0	\$0	\$0	\$0 or \$3,802,626
 <u>Cost - SEN</u> adding 5 senatorial districts				
Mileage, per diem, salary	\$0	\$0	\$0	\$0 or (\$230,979)
chamber/building improvements	\$0	\$0	\$0	\$0 or Could exceed (\$878,500)
other related expenses	\$0	\$0	\$0	<u>\$0 or (\$602,820)</u>
Pay increase	\$0	\$0	\$0	\$0 or (\$20,996)

<u>FISCAL IMPACT -</u> <u>State Government</u> continued	FY 2020 (10 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023) \$0 or Could exceed (FY 2023)
<u>Total Costs - SEN</u>	\$0	\$0	\$0	(\$1,733,295)
<u>Transfer Out - SOS -</u> reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>	<u>\$0 or Less than</u> <u>\$2,069,331</u>

<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
LOCAL POLITICAL SUBDIVISIONS				
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than \$7,800,000	\$0	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election if called for by the Governor	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<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 constitutional amendment, if approved by the voters, makes several changes to Article III regulating the members of the General Assembly.

The amendment reduces the membership of the House of Representatives from 163 to 117 and increases the membership of the Senate from 34 to 39. Furthermore, the state shall be apportioned into 39 legislative districts, each of which shall be divided into 3 House districts. House districts shall be apportioned entirely within a legislative district. One Senator will be

FISCAL DESCRIPTION (continued)

elected from each legislative district and one Representative will be elected from each House district.

The amendment modifies provisions limiting the number of terms a person can serve in the General Assembly. Under current law, no person may be elected to serve more than 8 years total in any one house of the General Assembly, and 16 years total in both houses. This amendment provides that no person shall be elected to serve more than 16 years total in the General Assembly, regardless of which house.

The amendment further provides that no person may serve more than 4 years in each of the following positions:

1. Speaker of the House;
2. President Pro Tem of the Senate;
3. Majority or minority floor leader of the Senate or House of Representatives.

The amendment provides that the compensation of members of the General Assembly shall increase at the beginning of each new General Assembly based upon the increase in the cost of living. The Secretary of the Senate is responsible for determining the increase as of September 30 of each even-numbered year.

The amendment modifies the definition of "legislative records" to exclude the following:

4. Work product of employees and staff of members of the General Assembly;
5. Employees of the Senate or House of Representatives; and
6. Communications between members of the General Assembly.

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

Office of the Secretary of State
Missouri Senate
Missouri House of Representatives
State Auditor's Office
Office of Administration
Attorney General's Office



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March 4, 2019

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