

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0998S.01I
Bill No.: SB 198
Subject: Military Affairs; National Guard; Public Safety, Department of; State
Departments
Type: Original
Date: February 1, 2021

Bill Summary: This proposal creates the Department of Military Forces.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE, OTHER STATE FUNDS AND FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Department of Public Safety (transfer out)*	\$0	\$0 or \$22,408,295	\$0 or \$44,816,589
Department of Military Forces (transfer in)	\$0	\$0 or (\$22,408,295, or could exceed \$22,608,295)	\$0 or (\$44,816,589, or could exceed \$45,016,589)
Total Estimated Net Effect on General Revenue	\$0	\$0 or (Could exceed \$200,000)	\$0 or (Could exceed \$200,000)

* The current appropriation for the Office of the Adjutant General is comprised out of several state and federal funds (see page 4 for a breakout).

Oversight has ranged the fiscal impact of the transfer from \$0 (related joint resolution is rejected by the voters) to the annual appropriation for the Department of Public Safety - Office of the Adjutant General being transferred to the new Department of Military Forces.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Department of Public Safety (transfer out)*	0 FTE	(469.05) FTE	(469.05) FTE
Department of Military Forces (transfer in)*	0 FTE	469.05 FTE	469.05 FTE
Department of Military Forces (new)	0 FTE	Could exceed 2 FTE	Could exceed 2 FTE
Total Estimated Net Effect on FTE	0 FTE	Could exceed 2 FTE	Could exceed 2 FTE

*Reallocation of FTE nets to zero.

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri National Guard (MNG)** believe there is a potential fiscal impact of \$150,000 - \$200,000 to their personal services. This potential impact would cause reorganizing into a department structure which would create Division Directors, a Deputy Director and Department Director. The unknown at this time is the MNG's ability to pay a percentage of certain employees with federal money depending on their funding source and involvement with military missions.

Oversight notes the Department of Public Safety - Office of the Director currently provides some services to the MNG that the Department of Military Forces would be required to perform as their own department (budget, general counsel, human resources, etc.). Therefore, Oversight will reflect a cost of \$0 or (Could exceed \$200,000) to the Department of Military Forces' budget for other department-specific personnel that may be required by creating another department.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

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 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. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 their office can sustain with their core budget. Therefore, they reserve 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Department of Public Safety - Office of the Director**, the **Office of Administration**, and the **Office of the Governor** 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.

According to HB 8 (2020), the total amount appropriated to the Office of the Adjutant General for FY 2021, by fund is:

General Revenue	\$7,723,912
Missouri National Guard Trust Fund	\$5,269,233
Federal Drug Seizure Fund	\$240,622
Veterans' Commission Capital Improvement Trust Fund	\$637,166
Federal Funds	\$30,388,904
Adjutant General Revolving Fund	\$55,000
Missouri Military Family Relief Fund	\$150,000
National Guard Training Site Fund	\$351,752
Total	\$44,816,589

Oversight notes the provisions of this act are contingent upon the passage of a constitutional amendment that provides for the establishment of the Department of Military Forces. Oversight assumes the constitutional amendment will be presented at a general election in November 2022. Therefore, Oversight will range the fiscal impact of the transfer from \$0 (joint resolution is rejected by the voters or no special election called) or to the annual appropriation for the Department of Public Safety - Office of the Adjutant General. Oversight will assume 6 months of impact (starting January 2023 after approval in November 2022) in FY 2023.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
DEPARTMENT OF PUBLIC SAFETY			
<u>Reallocation – Adjutant General funding and 469.05 FTE from DPS to the Department of Military Forces</u>	<u>\$0</u>	<u>\$0 or \$22,408,295</u>	<u>\$0 or \$44,816,589</u>
ESTIMATED NET EFFECT TO THE DEPARTMENT OF PUBLIC SAFETY (Across all funds)	<u>\$0</u>	<u>\$0 or \$22,408,295</u>	<u>\$0 or \$44,816,589</u>

DEPARTMENT OF MILITARY FORCES			
<u>Reallocation</u> - Adjutant General funding and 469.05 FTE into the Department of Military Forces	\$0	\$0 or (\$22,408,295)	\$0 or (\$44,816,589)
<u>Cost</u> – MNG-DOMF Additional Personal Services expenses (could exceed 2 FTE)	\$0	<u>\$0 or (Could exceed \$200,000)</u>	<u>\$0 or (Could exceed \$200,000)</u>
ESTIMATED NET EFFECT TO THE DEPARTMENT OF MILITARY FORCES (Across all funds)	\$0	<u>\$0 or (\$22,408,295, or could exceed \$22,608,295)</u>	<u>\$0 or (\$44,816,589, or could exceed \$45,016,589)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

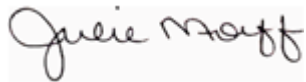
This act creates the Department of Military Forces which shall be headed by the Adjutant General and shall administer the militia and programs of the state relating to military forces. The office of Adjutant General and the militia are transferred from the Department of Public Safety to the Department of Military Forces.

This act is contingent upon the passage of a constitutional amendment that provides for the establishment of the Department of Military Forces.

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

Department of Public Safety
Joint Committee on Administrative Rules
Office of Administration
Office of the Governor
Office of the Secretary of State



Julie Morff
Director
February 1, 2021



Ross Strobe
Assistant Director
February 1, 2021