

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: #4656-01  
Bill No.: HJR 47  
Subject: Constitutional Amendments; General Assembly  
Type: Corrected  
Date: April 4, 2006  
#To correct the L.R. No.

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$52,560)	\$4,589,041 to Unknown	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$52,560)</b>	<b>\$4,589,041 to Unknown</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Office of Administration – Division of Budget and Planning, Office of Administration – Division of Informational Technology, Office of the Governor of Missouri, Office of the Lieutenant Governor of Missouri, Office of the Secretary of State – Director’s Office,** and the **Missouri Ethics Commission** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Missouri Senate** assume that this constitutional amendment mandating appropriation bills to be the only legislation considered during even-numbered years would reduce the length of session in even years to adjournment on 3/31 (from 5/31) and the last day for floor work to the first Friday after the first Monday in March (changed from the first Friday after the second Monday in May). This would also reduce the compensation paid to members by half during even years. The first year effected would be FY08 and every other year after.

Savings figures are based on the assumption the Senate would have no vacancies (34 Senators) and that every Senator would attend each legislative day. The first year impacted would be FY08 and every other even-numbered year thereafter.

ASSUMPTION (continued)

Savings figures for FY08 were based on floor work ending on March 7, 2008 instead of May 17, 2008 of the same year resulting in saving approximately 9 weeks of statutory mileage; 37 days of statutory per diem; and half the total annual compensation to members.

Current Salaries of Senate members:

(31) members @ an annual rate of \$31,351.44 = \$971,894.64  
(2) floor leaders @ an annual rate of \$32,351.44 = \$64,702.88  
(1) Pro Tem @ an annual rate of \$33,851.44 = \$33,851.44  
Total Annual Salary Cost \$1,070,448.960

One-half the annual salary cost = \$535,724.48

Savings on fringe benefits based on the 44.06% of salary = \$236,040

Expense Savings for the Senate

Statutory Mileage Savings based on current rate (\$.375 per mile rate). \$3,650 per week (approximated) assuming 9 weeks = \$31,664.25

Statutory Per Diem Savings based on current (\$79.20 per day) assuming 37 legislative days = \$99,633.60

Officials from the **Office of the Secretary of State – Division of Elections** assume that this proposal would necessitate a statewide newspaper publication of state statutes, which would cost approximately \$1,752 per column inch based on estimate provided by the Missouri Press Service x 3 for multiple printings as required by the Constitution and state statute = \$5,256 per column inch. Estimate total number of inches for this amendment to be 10 inches, which includes title header and certification paragraph \$5,256 x 10 inches = \$52,560.

If a special election is called for this purpose rather than being voted on at a general election, the cost of the special election has been estimated to be \$1.2 million based on the cost of the past two such elections.

Officials from the **Missouri House of Representatives** assume that this proposal would save the state the difference of paying legislators and staff for a full year to only paying them for a partial year. In regular legislative sessions, legislators' combined salaries are \$5,117,283. In the

ASSUMPTION (continued)

proposed non-appropriations years, the legislators's combined salaries would be \$2,558,641, which would equal a savings of \$2,558,641. These figures do not include money spent on fringe benefits, which equal 44.06% of salaries paid. In regular session, the fringe benefits add an additional \$2,254,675 per year. If this proposal passes, the fringe benefits would decrease proportionally to the salaries, which would be \$1,127,337 per year or a savings of \$1,127,337. If this proposal passes, the total possible bi-annual savings would be \$3,685,979 in salary and fringe benefits.

**Oversight** assumes that if there were to be a special election held to vote on this proposal, the election would take place in November 2006, which is in FY07.

**Oversight** assumes that the Missouri House of Representative would have different staffing needs during the even-numbered years. These numbers are not known at this time. The House would most likely keep the same staffing levels but may save money through a reduction in comp time.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**GENERAL REVENUE FUND**

Savings – Missouri Senate

Personal Services	\$0	\$535,724	\$0
Fringe Benefits	\$0	\$236,040	\$0
Expense	<u>\$0</u>	<u>\$131,298</u>	<u>\$0</u>
<u>Total Savings</u> – Missouri Senate	<u>\$0</u>	<u>\$903,062</u>	<u>\$0</u>

Savings – Missouri House of Representatives

Personal Services	\$0	\$2,558,642 to Unknown	\$0
Fringe Benefits	\$0	\$1,127,337 to Unknown	\$0
Expenses	<u>\$0</u>	<u>Unknown</u>	<u>\$0</u>
<u>Total Savings</u> – Missouri House of Representatives	<u>\$0</u>	<u>\$3,685,979 to Unknown</u>	<u>\$0</u>

Costs – Office of the Secretary of State-  
 Division of Elections

Newspaper Advertisements	(\$52,560)	\$0	\$0
<u>Total Costs</u> – Office of Secretary of State	<u>(\$52,560)</u>	<u>\$0</u>	<u>\$0</u>

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$52,560)</u></b>	<b><u>\$4,589,041</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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.

DESCRIPTION

This proposed constitutional amendment allows, upon voter approval, only appropriation bills to be considered by the General Assembly during even-numbered years. Legislators will receive one-half of their current salary during even-numbered years. The General Assembly will continue to convene on the first Wednesday after the first Monday of January following adjournment of the previous year. However, in even-numbered years, the General Assembly will adjourn at midnight on March 31 instead of midnight on May 31 which will remain the deadline for adjournment during odd-numbered years.

During odd-numbered years, bills will be tabled if on the calendar after 6:00 p.m. on the first Friday following the second Monday in May. During even-numbered years, bills will be tabled if on the calendar after 6:00 p.m. on the first Friday following the first Monday in March.

During odd-numbered years, bills not tabled may be signed in open session between the first Friday following the second Monday in May and May 30. During even-numbered years, bills not tabled may be signed in open session between the first Friday following the first Monday in March and March 31. No appropriation bill may be considered after 6:00 p.m. on the first Friday following the first Monday in March during even-numbered years.

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 Administration

- Budget and Planning
- Informational Technology

Office of the Governor

Office of the Lieutenant Governor

Office of the Secretary of State

- Director's Office
- Division on Elections

Missouri Ethics Commission

Missouri House of Representatives

Missouri Senate



Mickey Wilson, CPA  
Director  
April 4, 2006