

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4113-01
Bill No.: HJR 66
Subject: Constitutional Amendments; Education, Elementary and Secondary
Type: Original
Date: April 4, 2014

Bill Summary: This legislation proposes a Constitutional Amendment requiring members of the State Board of Education to be elected from each congressional district.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue*	\$0 or (More than \$7,100,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund*	\$0 or (More than \$7,100,000)	\$0	\$0

*** Elections held on every even numbered fiscal year, beginning in FY 2018 will have costs of approximately \$715,000**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government*	\$0	\$0	\$0

***Offsetting Transfer In and Expenses are \$0 or More than \$7,100,000 in FY 2015 and will be approximately \$715,000 for elections held in even numbered fiscal years, beginning in FY 2018.**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** assume no fiscal impact as a result of this proposal.

Officials from the **Missouri Senate** state the proposed legislation has no fiscal impact beyond existing appropriations.

Officials from the **Joint Committee on Education** state this proposal would add no additional costs to the committee.

According to officials from the **Office of Secretary of State (SOS)**, 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 \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

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 §§116.230-116.290, RSMo. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. 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 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). Therefore, the SOS 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, the SOS

ASSUMPTION (continued)

reserves the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of the SOS appropriation.

In odd numbered congressional districts, future elections may be held on non-federal election dates based on the language in HJR 66. This would require local election authorities within the congressional districts stated above to hold an additional election at an average cost of \$715,264. In even numbered congressional districts, future elections may be held on federal general election dates. This would require local election authorities within even numbered congressional districts to place an additional race on the general election ballot. Placing another race on a general election ballot may increase local election authorities' printing costs. Additional printing costs are estimated to be minimal.

For the purposes of this fiscal note, the SOS assumes that all elections held in accordance with this Joint Resolution will be held on November election dates.

FY 2018	\$715,264
FY 2020	\$715,264
FY 2022	\$715,264
FY 2024	\$715,264

Oversight assumes the elections held in odd-numbered years (even numbered fiscal years, beginning in FY 2018) would result in costs of approximately \$715,000, which is beyond the scope of the fiscal note.

Oversight has reflected in this fiscal note, the cost to the state for potential reimbursement to local political subdivisions for the cost of having this joint resolution voted on during a special election in fiscal year 2014. 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 2014 (FY 2015). 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 2015.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the addition of eight candidates to the general election would create additional duties and costs for local election authorities; however, DESE defers to the Secretary of State regarding the extent of those election costs.

LMD:LR:OD

ASSUMPTION (continued)

Depending upon the actions of voters, the results of the election could result in increased or decreased expense reimbursements for members of the state board of education; however, DESE cannot predict the actions of voters.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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GENERAL REVENUE

<u>Transfer Out</u> - Office of Secretary of State - Reimbursement to local election authorities for election costs if a special election is called	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or (More than \$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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LOCAL POLITICAL SUBDIVISIONS

<u>Transfer In</u> - Local Election Authorities - Cost reimbursement from the State for a special election	\$0 or More than \$7,100,000	\$0	\$0
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<u>Expense</u> - Local Election Authorities - Cost of special election	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

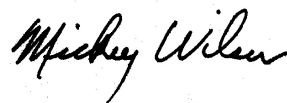
Upon voter approval, this proposed constitutional amendment requires members of the State Board of Education to be elected instead of being appointed by the Governor. One member will be elected in the general election in 2016 from each of the state's eight Congressional districts, with the beginning terms to be staggered according to the Congressional district number, with district one serving one year through district eight serving eight years. The term of a member elected after the initial election is eight years.

The Joint Committee on Education must submit a list of qualified nominees to the state board from which the board must select and appoint the Commissioner of Education.

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 Elementary and Secondary Education
Office of Secretary of State
Division of Elections
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
April 4, 2014

Ross Strobe
Assistant Director
April 4, 2014