

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5922-01
Bill No.: HJR 77
Subject: Constitutional Amendment; General Assembly
Type: Original
Date: March 12, 2014

Bill Summary: This legislation proposes a Constitutional Amendment changing the laws regarding sessions of the General Assembly.

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)	\$991,784	\$0
Total Estimated Net Effect on General Revenue Fund	\$0 or (More than \$7,100,000)	\$991,784	\$0

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 8 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

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, subsection 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.

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 sections 116.230-116.290, RSMo. 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, 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.

ASSUMPTION (continued)

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 2015. 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 **Governor's Office** assume there should be no added cost to their office as a result of this measure.

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

Officials from the **Missouri House of Representatives** assume the cost savings of this proposal would first be realized in FY 2016. Estimated savings from 9 fewer weeks and 39 fewer days of session is \$800,111 in today's dollars. Savings estimates are based on reductions in per diem, mileage and session chamber staff cost. Savings would continue in each even numbered year.

In response to a similar proposal from last year (HJR 31), officials from the **Missouri Senate (SEN)** assumed the first year of savings would begin in calendar year 2016. Savings estimates are based on reductions in per diem, mileage, and session chamber staff costs based on fewer legislative days. These estimates do not consider any additional costs from Senators attending committee hearings on non-session days or for special sessions.

Per Diem was calculated based on the current daily rate of \$3,536 (34 members @ \$104 per day).

Mileage was calculated based on the current weekly rate of \$3,557 (currently reimbursed @ \$.37 per mile).

Chamber staff was calculated on the current daily rate of \$899 including OASDI, Medicare, Workers Comp and Unemployment (chamber staff are not benefit eligible). This calculation includes the following positions: Sergeant at Arms; Doormen; Reader; and Chaplain.

ASSUMPTION (continued)

The 97th General Assembly First Regular Session is estimated to meet for 19 weeks and 74 days. The proposed plan is estimated to shorten the legislative session in even numbered years by 9 weeks. This assumes the General Assembly meets four days per week with the exception of the last two Fridays of the session.

The result is an estimated savings of \$191,673 in even numbered years beginning in 2016 as calculated below:

Daily Per Diem Costs	\$3,536
Days Saved	x <u>36</u>
Per Diem Savings	\$127,296

Weekly Mileage Costs	\$3,557
Weeks Saved	x <u>9</u>
Mileage Savings	\$32,013

Chamber Staff	\$899
Days Saved	x <u>36</u>
Chamber Staff Savings	\$32,364

In summary, SEN assumes a savings of \$191,673 (\$127,296 + \$32,013 + \$32,364) in FY 2016 to provide for the implementation of the changes in this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Savings</u> - MHR Fewer weeks of session in even numbered years	\$0	\$800,111	\$0
<u>Savings</u> - SEN Fewer weeks of session in even numbered years	\$0	\$191,673	\$0
<u>Transfer Out</u> - Office of the Secretary of State - reimbursement of 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>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 or (More than <u>\$7,100,000</u>)	<u>\$991,784</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL ELECTION AUTHORITIES			
<u>Transfer In</u> - Cost reimbursement from the State for special election	\$0 or More than \$7,100,000	\$0	\$0
<u>Expense</u> - Cost for special election	\$0 or (More than <u>\$7,100,000</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.

KC:LR:OD

FISCAL DESCRIPTION

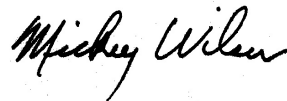
Upon voter approval, this proposed constitutional amendment changes the laws regarding sessions of the General Assembly. In its main provisions, the amendment:

- (1) Changes the adjournment of the General Assembly in even-numbered years to March 15;
- (2) Specifies that bills are tabled at 6:00 p.m. on the first Friday following the first Monday in March during even-numbered years;
- (3) Changes, from 60 days to 30 days after convening, the adjournment date for special sessions of the General Assembly;
- (4) Prohibits members from receiving any mileage or daily expense allowances during a special session of the General Assembly; and
- (5) Requires, beginning January 1, 2015, appropriation bills to be taken up only in odd-numbered years and that the bills provide for two-year budget cycles.

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
Missouri House of Representatives
Missouri Senate
Office of the Governor
Office of Administration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 12, 2014

Ross Strobe
Assistant Director
March 12, 2014