

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2491-02
Bill No.: HCB 6
Subject: Elementary and Secondary Education; Elections
Type: Original
Date: April 9, 2019

Bill Summary: This proposal modifies provisions relating to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
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 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
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 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
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 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Local Government	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Ethics Commission, Office of the Secretary of State, Office of State Courts Administrator, Department of Elementary and Secondary Education (DESE)** each assume the proposal will result in no cost to their organization.

Officials from the **St. Louis County Directors of Elections** assume, because school board elections currently take place in April municipal elections, the Election Board pays more to cover costs to administer the election. If changed to taking place in November elections, this would save the Election Board about \$350,000.

Officials from the **Kansas City Election Board** assume the proposal would more than likely force them on to a second ballot for the November election. Therefore, the cost of printing, postage, and legal notices would increase approximately \$60,000 for that election. However, the preceding April election would save about half (or \$30,000) on these same expenses. Therefore, the net increase would be about \$30,000 in election expenses.

In response to similar legislation HB 361 from 2019, officials from the **Platte County Board of Elections** did not expect a direct fiscal impact from the proposed legislation. However they did foresee significant complications arising from its passage. General elections in even years already present full and complicated ballots. Adding another race, and one that often has more than 5 candidates would only add to the complexity. In our most recent election, November 6, 2018, some voters' had full front and back 18 inch ballots. The addition of another race would have required a second ballot page for those voters. We don't view this as a positive outcome for voters nor for the efficient administration of elections.

In response to a similar proposal HCS for HB 1424 (2018), officials from **Buchanan County** assumed, having the school districts run their elections in November, would help alleviate election costs on the county level, but assumed small entities, like fire, water, ambulance districts, the trustee members of villages, etc. would not be able to afford an April election alone without a larger entity there to help divvy up the costs.

In response to similar legislation HB 361 from 2019, officials from **Maries County R-1 School District** assumed this proposal would save the district expenses for the election.

ASSUMPTION (continued)

Oversight assumes, beginning in 2021 (FY 2021), this proposal requires school board elections to be held biennially during the November election of even-number years instead of annual April municipal elections. Oversight assumes this proposal would result in savings to school districts as this would reduce the number of school board elections.

Oversight assumes no school board election shall be held in April 2021 (FY 2021); therefore, Oversight will show an unknown savings occurring in FY 2021.

Oversight notes due to the proposal shifting the elections from April to November and limiting the elections to even numbered calendar years, school board elections costs will only be incurred in odd numbered fiscal years; therefore, the savings from generated from biennial elections will occur in even numbered fiscal years. For example, no longer holding the April 2022 school board election will result in savings occurring in FY 2022 as there is no offsetting cost occurring in even numbered fiscal years. Instead the elections will occur in November 2022 (FY 2023) and will be offset by the savings generated from the school board election that would otherwise have been held in April 2023 (FY 2023). Oversight will show an unknown savings beginning in April 2022 (FY 2022) and recurring in even numbered fiscal years.

Oversight notes, as indicated by some of the election authorities, the cost of the November elections could increase in part due to an increase in the number of ballot issues and ballot pages. Oversight will show a potential unknown cost beginning in November 2022 (FY 2023) and recurring in even numbered calendar years (odd numbered fiscal years).

Oversight assumes some local political subdivisions may face increased costs beginning in the April 2021 election (FY 2021) as school districts would no longer share in the proportional cost. Oversight will show a potential unknown cost to some local political subdivisions beginning in FY 2021 and recurring annually for each municipal election held.

Beginning in November of 2022 (FY 2023), Oversight assumes some local political subdivisions may see proportional cost savings as school districts would now share in the cost of the November elections occurring on even numbered calendar years (odd numbered fiscal years). Oversight will show a potential unknown savings to some local political subdivisions beginning in FY 2023 and recurring in odd numbered fiscal years.

In response to similar legislation, HCS for HB 363 from 2019, officials from the **City of Kansas City** assumed the proposal could have a negative fiscal impact in an indeterminate amount on the City of Kansas City, Missouri, because it could increase litigation against Kansas City and limit Kansas City's ability to comment on ballot measures that could have a negative fiscal impact on

ASSUMPTION (continued)

Kansas City.

Oversight notes there is no way to determine the amount of potential judgements of civil penalties by the courts. Therefore, Oversight will assume the proposal will have a negative unknown fiscal impact to political subdivisions.

FISCAL IMPACT -
State Government

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**FISCAL IMPACT -
 Local Government**

**LOCAL
 POLITICAL
 SUBDIVISIONS**

Income - school
 districts - civil
 penalties \$115.646

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

Cost - increased
 litigation

(Unknown)	(Unknown)	(Unknown)	(Unknown)
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Cost - increase in
 proportional cost for
 April election to
 locals other than
 schools

(Unknown)	(Unknown)	(Unknown)	(Unknown)
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Cost - increase in
 ballot issues for
 November Elections

\$0	\$0	\$0 to (Unknown)	\$0
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Savings - decrease in
 proportional cost for
 November election
 to locals including
 school districts

\$0	\$0	\$0 to Unknown	\$0
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Savings - reduced
 election costs for
 school districts
 (annual to biennial)

<u>Unknown</u>	<u>Unknown</u>	<u>\$0</u>	<u>Unknown</u>
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**LOCAL
 POLITICAL
 SUBDIVISIONS**

(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</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

Currently, anyone filing for one office may not file for another office, without withdrawing, to be filled at the same election. This bill excludes a candidate for school board and allows him or her to file for and hold any other office for which he or she is qualified (Section 115.351, RSMo).

The bill prohibits the contribution or expenditure of public funds, including public resources or specified property, by any officer, board member, director, administrator, employee, or agent of any political subdivision to advocate, support, or oppose any ballot measure or candidate for public office. Individuals are also restricted from specified advocacy before the General Assembly when acting in an official capacity or during work hours.

This bill does not prohibit these individuals from making public appearances or from issuing press releases concerning any such ballot measure. The bill does allow the use of legislative liaisons by political subdivisions and special districts to communicate information to the General Assembly about their policies and procedures.

If a contribution or expenditure of public funds to any person results in the use of any part of such funds to advocate, support, or oppose any ballot measure or candidate for public office, the contribution or expenditure is in violation of the bill.

Any resident of a political subdivision who wishes to challenge a contribution or expenditure of public funds may bring an action in any circuit court of the political subdivision in which any alleged violation occurred. The political subdivision and the officer, board member, director, administrator, employee, or agent who allegedly violated this section shall be named as party defendants. The petition shall set forth the contribution, expenditure, or contribution and expenditure at issue and the facts that gave rise to a violation and shall pray leave to produce such proof. The court shall consider the petition and evidence, hear arguments, and in its decision determine whether a violation of this section occurred. If the court decides the contribution or expenditure of public funds was a violation, then the court may award attorney fees and the political subdivision shall be subject to a civil penalty in an amount 10 times the amount of the contribution or expenditure or \$1,000 whichever is greater or, if the violation involved only use of public resources, then a civil fine not to exceed \$1,000 for those offenses that are committed by specified administrators or board members. A first violation of these provisions by specified non-administrative level employees will not be subject to any fine, but a subsequent offense will be punished using the previous categories (Section 115.646).

FISCAL DESCRIPTION (continued)

Currently, school board elections are held at specified election dates as determined by the designation and location of school districts. Beginning in 2022, this bill requires school board elections for seven-director school districts, urban school districts, and school districts with sub-districts to be held during the November general election. For all existing school boards not holding an initial election the terms will be staggered and four years in length, as specified in the bill. Any member whose term ends in 2021 or any other odd-numbered year will serve until the election in the following even-numbered year. Portions of this bill have a delayed effective date of January 1, 2021 (Sections 162.082 - 162.910).

The provisions of this bill concerning school board elections have a delayed effective date of January 1, 2021, as specified in the bill.

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 the Secretary of State
Missouri Ethics Commission
Office of State Courts Administrator
St. Louis County Directors of Elections
Platte County Board of Elections
Kansas City Election Board
Buchanan County
Maries County R-1 School District
City of Kansas City



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April 9, 2019

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