

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1773H.01I
Bill No.: HCR 7
Subject: General Assembly
Type: Original
Date: January 25, 2021

Bill Summary: This proposal disapproves the salary recommendations of the Missouri Citizens' Commission on Compensation for Elected Officials.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	\$259,051	\$518,729	\$518,729
Total Estimated Net Effect on General Revenue	\$259,051	\$518,729	\$518,729

***This is a Cost Avoidance (savings) of not accepting the Missouri Citizens' Commission on Compensation for Elected Officials recommendations.**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

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

Oversight reviewed the Missouri Citizens’ Commission on Compensation for Elected Officials Report dated November 30, 2020.

The first recommendation is to change compensation payable to all members of the State of Missouri General Assembly beginning July 1, 2021 and July 1, 2022. Each member shall receive an increase in compensation of two and one half percent each year for the next two years. The percentage increase is slightly lower for leadership as the Commission recommends increasing compensation by the same dollar amount for all members in order to maintain the leadership differentials outlined in Sec. 21.140, RSMo.

The second recommendation is to increase the compensation for statewide elected officials, again, by two and one half percent each year for the next two fiscal years.

Oversight reflects the potential increase in FY 2022 expenses as:

			total	(add 2.5%)	total		Plus Fringe	Total
		current	current	new	new	Difference	(33.745%)	Difference
		salary	salary	salary	salary	from current	Difference	from current
Governor	1	\$ 133,821	\$ 133,821	\$ 137,166	\$ 137,166	\$ (3,345)	\$ (1,129)	\$ (4,474)
Lt. Governor	1	\$ 86,484	\$ 86,484	\$ 88,646	\$ 88,646	\$ (2,162)	\$ (730)	\$ (2,892)
Attorney General	1	\$ 116,437	\$ 116,437	\$ 119,348	\$ 119,348	\$ (2,911)	\$ (982)	\$ (3,893)
Treasurer	1	\$ 107,746	\$ 107,746	\$ 110,440	\$ 110,440	\$ (2,694)	\$ (909)	\$ (3,603)
Auditor	1	\$ 107,746	\$ 107,746	\$ 110,439	\$ 110,439	\$ (2,694)	\$ (909)	\$ (3,603)
Secretary of State	1	\$ 107,746	\$ 107,746	\$ 110,439	\$ 110,439	\$ (2,694)	\$ (909)	\$ (3,603)
Senators	31	\$ 35,915	\$ 1,113,365	\$ 36,813	\$ 1,141,199	\$ (27,834)	\$ (9,393)	\$ (37,227)
<i>Pro Tem</i>	1	\$ 38,415	\$ 38,415	\$ 39,375	\$ 39,375	\$ (960)	\$ (324)	\$ (1,284)
<i>Floor Leader</i>	1	\$ 37,415	\$ 37,415	\$ 38,350	\$ 38,350	\$ (935)	\$ (316)	\$ (1,251)
<i>Minority Leader</i>	1	\$ 37,415	\$ 37,415	\$ 38,350	\$ 38,350	\$ (935)	\$ (316)	\$ (1,251)
Representatives	159	\$ 35,915	\$ 5,710,485	\$ 36,813	\$ 5,853,247	\$ (142,762)	\$ (48,175)	\$ (190,937)
<i>Speaker</i>	1	\$ 38,415	\$ 38,415	\$ 39,375	\$ 39,375	\$ (960)	\$ (324)	\$ (1,284)
<i>Floor Leader</i>	1	\$ 37,415	\$ 37,415	\$ 38,350	\$ 38,350	\$ (935)	\$ (316)	\$ (1,250)
<i>Speaker Pro Tem</i>	1	\$ 37,415	\$ 37,415	\$ 38,350	\$ 38,350	\$ (935)	\$ (316)	\$ (1,250)
<i>Minority Leader</i>	1	\$ 37,415	\$ 37,415	\$ 38,350	\$ 38,350	\$ (935)	\$ (316)	\$ (1,250)
			\$ 7,747,735		\$ 7,941,425	\$ (193,690)	\$ (65,361)	\$ (259,051)

Another salary increase would kick in on July 1, 2022 (FY 2023...and beyond). Oversight has reflected the cost of these pay increases as:

			total		total		Plus Fringe	Total
		current	current	new	new	Difference	(33.745%)	Difference
		salary	salary	salary	salary	from current	Difference	from current
Governor	1	\$ 133,821	\$ 133,821	\$ 140,596	\$ 140,596	\$ (6,775)	\$ (2,286)	\$ (9,061)
Lt. Governor	1	\$ 86,484	\$ 86,484	\$ 90,862	\$ 90,862	\$ (4,378)	\$ (1,477)	\$ (5,856)
Attorney General	1	\$ 116,437	\$ 116,437	\$ 122,332	\$ 122,332	\$ (5,895)	\$ (1,989)	\$ (7,884)
Treasurer	1	\$ 107,746	\$ 107,746	\$ 113,201	\$ 113,201	\$ (5,455)	\$ (1,841)	\$ (7,295)
Auditor	1	\$ 107,746	\$ 107,746	\$ 113,200	\$ 113,200	\$ (5,455)	\$ (1,841)	\$ (7,295)
Secretary of State	1	\$ 107,746	\$ 107,746	\$ 113,200	\$ 113,200	\$ (5,455)	\$ (1,841)	\$ (7,295)
Senators	31	\$ 35,915	\$ 1,113,365	\$ 37,711	\$ 1,169,041	\$ (55,676)	\$ (18,788)	\$ (74,464)
<i>Pro Tem</i>	1	\$ 38,415	\$ 38,415	\$ 40,336	\$ 40,336	\$ (1,921)	\$ (648)	\$ (2,569)
<i>Floor Leader</i>	1	\$ 37,415	\$ 37,415	\$ 39,286	\$ 39,286	\$ (1,871)	\$ (631)	\$ (2,502)
<i>Minority Leader</i>	1	\$ 37,415	\$ 37,415	\$ 39,286	\$ 39,286	\$ (1,871)	\$ (631)	\$ (2,502)
Representatives	159	\$ 35,915	\$ 5,710,485	\$ 37,711	\$ 5,996,049	\$ (285,564)	\$ (96,364)	\$ (381,928)
<i>Speaker</i>	1	\$ 38,415	\$ 38,415	\$ 40,336	\$ 40,336	\$ (1,921)	\$ (648)	\$ (2,569)
<i>Floor Leader</i>	1	\$ 37,415	\$ 37,415	\$ 39,286	\$ 39,286	\$ (1,871)	\$ (631)	\$ (2,502)
<i>Speaker Pro Tem</i>	1	\$ 37,415	\$ 37,415	\$ 39,286	\$ 39,286	\$ (1,871)	\$ (631)	\$ (2,502)
<i>Minority Leader</i>	1	\$ 37,415	\$ 37,415	\$ 39,286	\$ 39,286	\$ (1,871)	\$ (631)	\$ (2,502)
			\$ 7,747,735		\$ 8,135,584	\$ (387,849)	\$ (130,880)	\$ (518,728)

Oversight assumes this HCR would not allow these pay increases to occur; therefore, the fiscal impact of this passage of this HCR is reflected as a cost avoidance (savings).

Oversight assumes there would be no change in either the mileage reimbursement or the per-diem amounts paid to General Assembly members.

Officials from the Missouri **House of Representatives (MHR)** state this would result in a cost avoidance (does not include the cost avoidance on benefits, as they never state this in their responses) of the following amounts:

FY22 \$146,527

FY23 \$150,192

FY24 \$61,579 (based on a 1% increase from FY23).

The report states that if no Citizens' Commission report is passed by FY24 the members shall get the same as the last increase for circuit judges. As they do not know what they will be they will assume that for FY22 the circuit judges will be increased by 1% to match their Federal counterparts)

Total cost avoidance without benefits of 358,297.

Officials from the **Missouri Senate** state as written, the Missouri State Senate would anticipate a cost savings to the Senators' Salaries Appropriation 0003 if passed. In summary, it would create a 2 year savings of approximately \$61,812.

Officials from the **Office of the State Courts Administrator** state there is no fiscal impact whether the resolution passes or not because the judicial salaries are tied to their federal counterparts per the Missouri Citizens' Commission on Compensation for Elected Officials (MCCCEO) report dated November 24, 2010.

Officials from the **Attorney General's Office** and the **Office of the Governor** each assume no fiscal impact to their respective agencies.

In response to a similar proposal, HCR 3, officials from the **Office of the State Auditor** assumed no fiscal impact to their agency.

<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023	FY 2024
GENERAL REVENUE			
<u>Cost Avoidance – rejection of pay increase for July 1, 2021 raises</u>	\$193,690	\$193,690	\$193,690
<u>Cost Avoidance – fringe benefit on July 1, 2021 pay increases</u>	\$65,361	\$65,361	\$65,361
<u>Cost Avoidance – rejection of pay increase for July 1, 2022 raises</u>	\$0	\$194,159	\$194,159
<u>Cost Avoidance – fringe benefit on July 1, 2022 pay increases</u>	<u>\$0</u>	<u>\$65,519</u>	<u>\$65,519</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>\$259,051</u>	<u>\$518,729</u>	<u>\$518,729</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022	FY 2023	FY 2024
	<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.

FISCAL DESCRIPTION

The proposed legislation disapproves the salary recommendations of the Missouri Citizens' Commission on Compensation for Elected Officials issued November 30, 2020.

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

Missouri House of Representatives
Missouri Senate
Office of the State Courts Administrator
Office of the Governor
Attorney General's Office
Office of the State Auditor



Julie Morff
Director
January 25, 2021



Ross Strobe
Assistant Director
January 25, 2021