

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3647H.011
 Bill No.: HB 1445
 Subject: Elections; Department of Higher Education and Workforce Development;
 Holidays and Observances
 Type: Original
 Date: April 15, 2024

Bill Summary: This proposal creates a new state holiday for election day and requires colleges and universities to close unless used as a polling place.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue Fund	(\$686,817)	\$0	(\$686,817)
Total Estimated Net Effect on General Revenue	(\$686,817)	\$0	(\$686,817)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Other State Funds	(\$422,042)	\$0	(\$422,042)
Colleges and Universities	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Greater than \$422,042)	(Unknown)	(Greater than \$422,042)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Federal Funds	(\$275,325)	\$0	(\$275,325)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$275,325)	\$0	(\$275,325)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§9.010 & 173.015 - Election Day Holiday & Election Day Closure of Colleges & Universities

§9.010

Officials from the **Office of Administration (OA)** assumes Section 9.010 of this proposal indicates that the first Tuesday after the first Monday in November of even-numbered years would be a State Holiday.

Division of Personnel assumes that adding the first Tuesday after the first Monday in November of even-numbered years would be a fiscal impact of \$1,384,184.44 for those team members who work in 24/7 environments and will earn holiday comp time. Division of Personnel also assumes a potential overtime cost for 8 hours of lost productivity may be needed.

Division of Personnel based the cost on actual hourly salary data from Holidays in 2023 from May until November and used the average amount of \$1,384,184.44.

Oversight will reflect the fiscal impact as provided by OA split between General Revenue, Other State Funds and Federal Funds. It should be noted FY2025 starts July 1, 2024, which is an even year, so the first Tuesday of November 2024 will be in FY25. FY2027 will begin on July 1, 2026, which is an even year, so the first Tuesday of November 2026 will be in FY27. Therefore, the impact would be in FY2025, and FY 2027.

Officials from the **Department of Mental Health (DMH)** assume this proposal modifies section 9.010 to establish Election Day (November, even-numbered years) as a state holiday. Also adds section 173.015 requiring closure of colleges and universities on this day. The proposed legislation would designate the first Tuesday after the first Monday of November of even-numbered years as a state holiday. It also requires all colleges and universities to close on the general election day unless they serve as a polling place. The Department of Mental Health (DMH) would anticipate additional costs for Mental Health facility workers who are required to work shifts on state holidays. These workers receive additional compensations when working a holiday. The estimate of this cost would be around \$226,045 for facilities under the Division of Behavior Health and \$143,978 for facilities under the Division of Developmental Disabilities. This estimate is based off the total cost of overtime paid at state mental health facilities for the day after Thanksgiving 2023. In summary, this bill is projected to cost DMH \$502,063 in FY 2026.

Officials from the **Department of Corrections (DOC)** assume this proposal creates a new state holiday for Election Day and requires colleges and universities to close unless used as a polling place.

This legislation would have a significant operational and fiscal impact on the department. Prisons operate 24 hours a day, 7 days a week. An additional holiday will cause an accrual of overtime for essential staff that must work (custody, food service, command center, and power plant staff). The average cost for the last four holidays was \$569,866.

* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is \$26.545 per day or an annual cost of \$9,689 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is \$99.90 per day or an annual cost of \$36,464 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

DOC assumes a cost of \$484,386 each year as a result of the implementation of this proposal.

Oversight notes the impact response submitted by the Office of Administration - Division of Personnel was for all team members who work in 24/7 environments and will earn holiday comp time (including DMH and DOC). For fiscal note purposes, Oversight will only reflect the fiscal impact response provided by OA.

§173.015

Officials from the **University of Missouri** assume this proposal would have a financial impact in excess of \$7,000,000.

Officials from the **Missouri State University** and the **University of Central Missouri** assume this proposal would have a negative fiscal impact of an undetermined amount.

Officials from the **Northwest Missouri State University** state the proposed law would require us to have a floating holiday for general election years which could have an annual productivity impact estimated at more than \$200,000 for every day and potential disruption of the academic schedule.

Oversight assumes this proposal requires that all colleges and universities be closed on the general election days unless it serves as a polling place. Since Oversight only received four responses for fiscal impact from colleges and universities, Oversight will reflect a negative unknown fiscal impact in the fiscal note.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

Bill as a whole:

Officials from the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety (Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri Highway Patrol, State Emergency Management Agency)**, the **Missouri National Guard**, the **Department of Social Services**, the **Office of the Governor**, the **Joint Committee on Public Employee Retirement**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri House of Representatives**, the **Department of Transportation**, the **Office of Prosecution Services**, the **Office of Administration (Administrative Hearing Commission and Budget and Planning)**, the **Office of the State Courts Administrator**, the **Office of the State Auditor**, the **Missouri Senate**, the **Legislative Division**, the **Oversight Division**, the **Office of the State Public Defender**, the **Office of the State Treasurer** and the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the **Department of Commerce and Insurance**, the **Department of Public Safety - Missouri Veterans Commission & the Directors Office**, the **Department of Natural Resources**, the **Department of Health and Senior Services** and the **Missouri Department of Agriculture** defer to the Office of Administration for the potential fiscal impact of this proposal.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE FUND			
<u>Cost – OA</u> Holiday Pay §9.010	<u>(\$686,817)</u>	<u>\$0</u>	<u>(\$686,817)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$686,817)</u>	<u>\$0</u>	<u>(\$686,817)</u>
OTHER STATE FUNDS			
<u>Cost – OA</u> Holiday Pay §9.010	<u>(\$422,042)</u>	<u>\$0</u>	<u>(\$422,042)</u>
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	<u>(\$422,042)</u>	<u>\$0</u>	<u>(\$422,042)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
FEDERAL FUNDS			
<u>Cost – OA</u> Holiday Pay §9.010	<u>(\$275,325)</u>	<u>\$0</u>	<u>(\$275,325)</u>
ESTIMATED NET EFFECT TO FEDERAL FUNDS	<u>(\$275,325)</u>	<u>\$0</u>	<u>(\$275,325)</u>
COLLEGES AND UNIVERSITIES			
<u>Cost - §173.015</u> General Election Closure	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO COLLEGES AND UNIVERSITIES	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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

This bill adds the general election day that occurs in November of even numbered years to the list of public holidays in Missouri. Additionally, the Coordinating Board of Higher Education must require that all colleges and universities be closed on the general election day, unless such college or university serves as a polling place.

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 Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
 Office of the Director
 Division of Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Missouri Gaming Commission
 Missouri Highway Patrol
 Missouri National Guard
 State Emergency Management Agency
 Missouri Veterans Commission
Department of Social Services
Office of the Governor
Joint Committee on Public Employee Retirement
Joint Committee on Administrative Rules
Missouri Lottery Commission
Legislative Research
Oversight Division
Missouri Consolidated Health Care Plan
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri House of Representatives
Missouri Department of Transportation
Missouri State Employee's Retirement System
MoDOT & Patrol Employees' Retirement System
Missouri Office of Prosecution Services
Office of Administration
 Administrative Hearing Commission
 Budget and Planning

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Facilities Management, Design and Construction

Office of the State Courts Administrator

Office of the State Auditor

Missouri Senate

Office of the Secretary of State

Office of the State Public Defender

Office of the State Treasurer

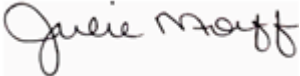
State Tax Commission

University of Missouri

Missouri State University

University of Central Missouri

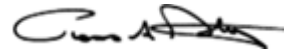
Northwest Missouri State University



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