

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1802H.01I
Bill No.: HB 968
Subject: Banks and Financial Institutions; State Treasurer; Business and Commerce
Type: Original
Date: February 25, 2025

Bill Summary: This proposal establishes the Missouri Financial Empowerment Commission.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 or Could exceed (\$1,040,099)	\$0 or Could exceed (\$1,049,026)	\$0 or Could exceed (\$1,058,111)
Total Estimated Net Effect on General Revenue	\$0 or Could exceed (\$1,040,099)	\$0 or Could exceed (\$1,049,026)	\$0 or Could exceed (\$1,058,111)

* **Oversight** notes State Treasurer Office requires up to 6 FTE and up to additional \$500,000 to implement the provisions of this proposal.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
State Treasurer's General Operating Fund (0164)*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Transfer In and Costs within the fund will net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
State Treasurer's General Operating Fund (0164)	0 Up to 6 FTE	0 Up to 6 FTE	0 Up to 6 FTE
Total Estimated Net Effect on FTE	0 Up to 6 FTE	0 Up to 6 FTE	0 Up to 6 FTE

☒ 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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 67.5130 – Missouri Financial Empowerment Act

Officials from **Office of the State Treasurer (STO)** state there is no way to accurately determine the needs of commission, whose reach and needs are not laid out within the bill. This could be a big undertaking for the STO, depending on how the commission is established and how long it takes. The bill requires the commission to develop and implement a plan to reach all state employees, Missourians with disabilities, Missourians experiencing poverty, students, veterans, and retired Missourians, while also establishing a non-profit and deciding how to fund everything. The staff would be responsible for day-to-day operations (which would presumably require outreach, advertising, contracting, administrative work), annual reporting, budget preparation, and anything else the commission decides. Since the commission has not yet been created, it is impossible to ascertain their needs, wants, or demands. Until the commission is independent, the bill charges the Treasurer's Office with fiscal responsibility. Therefore, all the ranges begin at zero and top out at the maximum that STO could anticipate needing.

For the large block of expenses (\$400,000-\$500,000): STO will need a place to put any additional employees (they have no space available), they will require basic office supplies, the program will need to be established and introduced, there will be bank fees, shredding services, subscriptions, advertising services, travel expenses, printing services, postage, and internet. It is impossible to detail everything when nothing is established yet.

In summary the STO would require up to 6 FTE; one IT Support position (\$73,080), four Processing Clerks (\$40,000), and one Executive Director (\$80,000) along with associated fringe benefits and equipment expense. In addition, the STO assume a cost of \$400,000-\$500,000 annually for advertising, implementation, and supplies. STO notes salaries are based on comparative salaries, equipment and expenses are based on billing for similar items, and FMDC budget instructions. STO cannot absorb costs.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the impact as \$0 up to estimated impact by STO in the fiscal note.

Oversight notes that Section 67.5130.8 (5) states "To accept for inclusion in general assembly fund appropriations, grants, revenue sharing, devises, gifts, bequests, donations, federal grants, and any other aid from any source whatsoever and to agree to, and to comply with, conditions incident thereto" Oversight assumes there is no new fund created in the proposal; therefore, will show the fiscal impact to the State Treasurer's General Operating Fund as a transfer out from General Revenue to the State Treasurer's General Operating Fund which will net to zero.

Oversight notes that §67.5130.7 states that Commission members shall receive no compensation for their services but shall be entitled to payment of reasonable and necessary expenses actually incurred in attending meetings, or discharging their official duties, subject to availability of funding. Therefore, Oversight will reflect a \$0 (funding unavailable) or unknown costs (payment of reasonable and necessary expenses actually incurred in attending meetings) in the fiscal note.

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.

Officials from the **Office of Administration – Budget and Planning** assume this bill has no direct impact on B&P or on general and total state revenues.

Officials from the **Office of Administration - Administrative Hearing Commission, Department of Commerce and Insurance, Department of Elementary and Secondary Education, Department of Revenue, Missouri House of Representatives, Missouri Senate, Legislative Research, and Office of the Governor** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Office of the State Auditor** did not respond to **Oversight's** request for fiscal impact for this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Transfer Out</u> – from General Assembly to STO General Operating Fund (0164) §67.5130.8 (5)	\$0 or Could exceed <u>(\$1,040,099)</u>	\$0 or Could exceed <u>(\$1,049,026)</u>	\$0 or Could exceed <u>(\$1,058,111)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or Could exceed <u>(\$1,040,099)</u>	\$0 or Could exceed <u>(\$1,049,026)</u>	\$0 or Could exceed <u>(\$1,058,111)</u>
STATE TREASURER’S GENERAL OPERATING FUND (0164)			
<u>Transfer In</u> – from General Assembly to STO General Operating Fund (0164) §67.5130.8 (5)	\$0 or Could exceed \$1,040,099	\$0 or Could exceed \$1,049,026	\$0 or Could exceed \$1,058,111
<u>Transfer In</u> – to STO - gifts, bequests, donations, etc. §67.5130.8 (5)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – reimbursement to Commission members for reasonable and necessary expenses §67.5130.7	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – STO §67.5130 advertising, implementation, and supplies	\$0 or Up to (\$500,000)	\$0 or Up to (\$500,000)	\$0 or Up to (\$500,000)
<u>Cost</u> – STO §67.5130	\$0 or Up to...		
Personal Service	(\$260,900)	(\$319,342)	(\$325,728)
Fringe Benefits	(\$183,529)	(\$222,744)	(\$225,304)
Expense & Equipment	(\$95,670)	(\$6,940)	(\$7,079)
<u>Total Costs</u> – STO	<u>(\$540,099)</u>	<u>(\$549,026)</u>	<u>(\$558,111)</u>
FTE Change – STO	0 Up to 6 FTE	0 Up to 6 FTE	0 Up to 6 FTE
ESTIMATED NET EFFECT ON STATE TREASURER’S GENERAL OPERATING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on State Treasurer’s General Operating Fund	0 Up to 6 FTE	0 Up to 6 FTE	0 Up to 6 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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 creates the "Missouri Financial Empowerment Commission" which consists of 13 members, as specified in the bill. The bill specifies the membership terms of the members and the Treasurer serves as the Chair of the Commission. The Commission members do not receive any compensation for their services but receive payment for reasonable and necessary expenses incurred in attending the meetings or discharging their duties, subject to availability of funds.

The bill sets forth the powers and duties of the Commission, including, but not limited to, adoption of bylaws; entering into contracts with federal, state or local agency or with a person or organization; developing and implementing a plan toward increasing financial empowerment for all Missourians as specified in the bill; evaluating the Commission's objectives; incorporating a nonprofit organization that qualifies as a tax-exempt entity to receive donations; and employing an executive director and other employees.

The bill provides for the termination and duties of the executive director and indicates that neither the executive director nor the employees of the Commission are members of the Missouri State Retirement System (MOSERS).

The bill requires the Auditor to conduct an annual audit of all of the Commission's funds, and report annually to the Governor and the Joint Committee on Legislative Research.

In addition, the bill requires a commission member to disclose their interest in any organization, department or agency that the commission seeks to enter into a contract.

The bill specifies grounds for the Treasurer to remove the members appointed by the Treasurer and provides for an appeal process. In addition, the bill authorizes Treasurer to provide technical, clerical and administrative assistance and support to the Commission.

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 Administration - Administrative Hearing Commission

Office of Administration – Budget and Planning

Department of Commerce and Insurance

Department of Elementary and Secondary Education

Department of Revenue

Office of the Governor

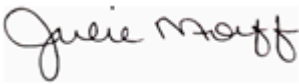
Office of the Secretary of State

Office of the State Treasurer

Missouri House of Representatives

Missouri Senate

Legislative Research



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