

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5583-02  
Bill No.: SCS for SJR 45  
Subject: Governor and Lieutenant Governor; Appropriations; Constitutional Amendments  
Type: Original  
Date: February 21, 2014

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Bill Summary: This proposed constitutional amendment prohibits the Governor from controlling the rate of expenditures of, and withholding funds from, the Department of Elementary and Secondary Education and the payment of public debt.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 or (More than \$7,100,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or (More than \$7,100,000)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Offsetting Transfers In and Expenses are \$0 or More than \$7,100,000 in FY 2015.**

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to BAP.

Officials from the **Office of the Lieutenant Governor** assume no fiscal impact to their office as a result of this proposed legislation.

Officials from the **Department of Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency or on school districts.

According to officials from the **Office of Secretary of State - Division of Elections (SOS)**, 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.

The 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. The 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

ASSUMPTION (continued)

the publishing requirements. However, because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of the SOS appropriation.

In response to the introduced version of this proposal, officials from the **Office of the Governor** state there should be no added cost to the Governor's Office as a result of this measure.

Officials from the **Kansas City Public School District** assume no fiscal impact as a result of this proposal.

In response to the introduced version of this proposal, officials from the **Special School District of St. Louis County** stated this proposal will not have a material fiscal impact on the Special School District.

Also in response to the introduced version of this proposal, officials from the **Fulton School District** assumed any fiscal impact is unknown.

Officials from the following school districts: Blue Springs, Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Francis Howell, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to **Oversight's** request for fiscal impact.

In response to the introduced version of this proposal, officials from the **Kansas City Election Board**, the **Platte County Board of Elections**, and the **St. Louis County Directors of Elections** assumed the proposal has no direct fiscal impact on their operations.

Officials from the following local election authorities: St. Louis City Board of Elections, Clay County Board of Elections, and the Jackson County Board of Elections, did not respond to **Oversight's** request for fiscal impact.

**Oversight** has reflected in this fiscal note, the cost to the state for potential reimbursement to local political subdivisions for the cost of having this joint resolution voted on during a special election in fiscal year 2014. This reflects the decision made by the Joint Committee on

ASSUMPTION (continued)

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.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**GENERAL REVENUE**

<u>Transfer Out</u> - Office of Secretary of State - Reimbursement to local election authorities for election costs <b>if</b> a special election is called	\$0 or (More than <u>\$7,100,000</u> )	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 or (More than \$7,100,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Transfer In</u> - Local Election Authorities - Cost reimbursement from the State for a special election	\$0 or More than \$7,100,000	\$0	\$0
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<u>Expense</u> - Local Election Authorities - Cost of special election	\$0 or (More than <u>\$7,100,000</u> )	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

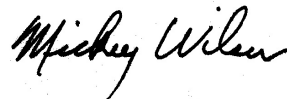
FISCAL DESCRIPTION

Currently, the Governor has the authority to control the rate at which any appropriation is expended and may reduce the expenditures of the state or any of its agencies below their appropriations when the actual revenues are less than the revenue estimates upon which the appropriations were based. This proposed constitutional amendment, if approved by the voters, prohibits the Governor from exercising these powers with respect to any appropriation to the Department of Elementary and Secondary Education and any appropriation for the payment of principal and interest on the public debt.

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  
    Division of Budget and Planning  
Office of the Governor  
Office of the Lieutenant Governor  
Office of Secretary of State  
    Division of Elections  
Department of Elementary and Secondary Education  
School Districts  
    Fulton  
    Special School District of St. Louis County  
    Kansas City  
Local Election Boards  
    Platte County  
    Kansas City  
    St. Louis County



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February 21, 2014

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