

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3378-03
Bill No.: SCS for HB 1386
Subject: Campaign Finance; Crimes and Punishment; Ethics; General Assembly; Lobbying
Type: Original
Date: May 11, 2020

Bill Summary: This proposal modifies various provisions governing ethics.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue*	\$0 or up to (\$47,895)	\$0 or up to (\$117,247)	\$0 or up to (\$229,327)
Total Estimated Net Effect on General Revenue*	\$0 or up to (\$47,895)	\$0 or up to (\$117,247)	\$0 or up to (\$229,327)

*Due to the narrow scope of the new crimes (offenses against the General Assembly), officials from the Department of Corrections (DOC) state the fiscal impact (estimated at approximately 9 new persons sentenced to prison each year for new D felony and E felony offenses) may not be as high as estimated and could be as low as zero. Therefore, Oversight has ranged the fiscal impact from \$0 to the high end of DOC's estimates.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	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
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§§21.403, 21.405, 575.040, 575.050, 575.160, 575.270, 575.280, 575.330, and 576.030 - Offenses against the General Assembly

In response to similar legislation HCS for SB 587, officials from the **Department of Corrections (DOC)** stated this proposal creates two D felonies and three E felonies for certain offenses committed against a body of the General Assembly.

For the new nonviolent class D felonies created in sections 575.040 and 575.280, the department estimates 6 people will be sentenced to prison and 10 to probation. The average sentence for a nonviolent class D felony offense is 5 years, of which 2.8 years will be served in prison with 1.7 years to first release. The remaining 2.2 years will be on parole. Probation sentences will be 3 years.

Change in prison admissions and probation openings with legislation

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	6	6	6	6	6	6	6	6	6	6
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	10	10	10	10	10	10	10	10	10	10
Change (After Legislation - Current Law)										
Admissions	6	6	6	6	6	6	6	6	6	6
Probations	10	10	10	10	10	10	10	10	10	10
Cumulative Populations										
Prison	6	12	17	17	17	17	17	17	17	17
Parole			1	7	13	13	13	13	13	13
Probation	10	20	30	30	30	30	30	30	30	30
Impact										
Prison Population	6	12	17	17	17	17	17	17	17	17
Field Population	10	20	31	37	43	43	43	43	43	43
Population Change	16	32	48	54	60	60	60	60	60	60

ASSUMPTION (continued)

For the new nonviolent class E felonies created in sections 575.050, 575.330, and 576.030, the Department estimates three people will be sentenced to prison and six to probation. The average sentence for a nonviolent class E felony offense is 3.4 years of which, 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

Change in prison admissions and probation openings with legislation

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	3	3	3	3	3	3	3	3	3	3
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	6	6	6	6	6	6	6	6	6	6
Change (After Legislation - Current Law)										
Admissions	3	3	3	3	3	3	3	3	3	3
Probations	6	6	6	6	6	6	6	6	6	6
Cumulative Populations										
Prison	3	6	6	6	6	6	6	6	6	6
Parole			3	4	4	4	4	4	4	4
Probation	6	12	18	18	18	18	18	18	18	18
Impact										
Prison Population	3	6	6	6	6	6	6	6	6	6
Field Population	6	12	21	22	22	22	22	22	22	22
Population Change	9	18	27	28	28	28	28	28	28	28

The combined cumulative impact on the department is estimated to be 23 additional offenders in prison and 52 on field supervision by FY23; however, due to the narrow scope of the new crimes, the department believes the impact may not be that high, and could be as low as zero.

ASSUMPTION (continued)

	# to prison	Cost per year	Total Costs for prison	Change in probation & parole officers	Total cost for probation and parole	# to Probation and Parole	Grand Total - Prison and Probation (includes a 2% inflation)
Year 1	9	(\$6,386)	(\$47,895)	0	\$0	16	(\$47,895)
Year 2	18	(\$6,386)	(\$117,247)	0	\$0	32	(\$117,247)
Year 3	23	(\$6,386)	(\$152,812)	1	(\$76,515)	52	(\$229,327)
Year 4	23	(\$6,386)	(\$155,868)	1	(\$68,824)	59	(\$224,692)
Year 5	23	(\$6,386)	(\$158,985)	1	(\$69,567)	65	(\$228,553)
Year 6	23	(\$6,386)	(\$162,165)	1	(\$70,320)	65	(\$232,485)
Year 7	23	(\$6,386)	(\$165,408)	1	(\$71,083)	65	(\$236,492)
Year 8	23	(\$6,386)	(\$168,717)	1	(\$71,854)	65	(\$240,571)
Year 9	23	(\$6,386)	(\$172,091)	1	(\$72,635)	65	(\$244,726)
Year 10	23	(\$6,386)	(\$175,533)	1	(\$73,425)	65	(\$248,958)

If this impact statement has changed from statements submitted in previous years, it is because the DOC has changed the way probation and parole daily costs are calculated to more accurately reflect the way the Division of Probation and Parole is staffed across the entire state.

In December 2019, the DOC reevaluated the calculation used for computing the Probation and Parole average daily cost of supervision and revised the cost calculation to be used for 2020 fiscal notes. For the purposes of fiscal note calculations, the DOC averaged district caseloads across the state and came up with an average caseload of 51 offender cases per officer. The new calculation assumes that an increase/decrease of 51 cases would result in a change in costs/cost avoidance equal to the cost of one FTE staff person. Increases/decreases smaller than 51 offenders 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. For instances where the proposed legislation affects a less specific caseload, DOC projects the impact based on prior year(s) actual data for DOC's 44 probation and parole districts.

The DOC cost of incarceration is \$17.496 per day or an annual cost of \$6,386 per offender. The DOC cost of probation or parole is determined by the number of P&P Officer II positions that would be needed to cover the new caseload.

ASSUMPTION (continued)

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's impact for fiscal note purposes.

In response to a previous version, officials from the **Missouri Office of Prosecution Services (MOPS)** assumed the proposal will have no measurable fiscal impact on MOPS. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

§105.465 and 105.470 - Candidate Committee and Definition of "Lobbyists"

In response to a previous version, officials from the **Missouri Ethics Commission (MEC)** assumed the proposed legislation does not have fiscal impact on the Missouri Ethics Commission, however, if the Commission can, upon finding probable cause a violation exists recommend or agree to monetary penalties as established in 105.961.4, RSMo. The penalties received by the Commission in enforcement actions are forwarded to the appropriate school district. As outlined in 105.963, reports filed after the deadline are assessed a late filing fee for each day the report was late. The late fees assessed and collected are deposited into the General Revenue Fund

In response to a previous version, officials from the **Joint Committee on Administrative Rules (JCAR)** stated this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In response to a previous version SCS for HB 1386, officials from the **Department of Public Safety-Office of the Director, Department of Public Safety-Missouri State Highway Patrol, Missouri Consolidated Health Care Plan, Department of Transportation, Department of Public Safety-Capitol Police, Missouri Tax Commission, Department of Public Safety-State Emergency Management Agency, Missouri Senate, Office of Administration-Administrative Hearing Commission, Department of Social Services, Department of Mental Health, Missouri Department of Conservation, Department of Public Safety-Alcohol and Tobacco Control, MoDOT and Patrol Employees Retirement System, Department of Revenue, Department of Higher Education and Workforce Development, Department of Natural Resources, Department of Agriculture, Department of Labor and Industrial Relations, Missouri State Employees' Retirement System, Department of Health and Senior Services, Department of Public Safety-Gaming Commission, Missouri House of**

ASSUMPTION (continued)

Representatives, Department of Elementary and Secondary Education, Attorney General’s Office, and Department of Public Safety-Veterans Commission each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version HB 1386, officials from the **Department of Economic Development, Department of Commerce & Insurance, Office of Administration, Office of the Governor, State Auditor’s Office, Department of Corrections, Department of Public Safety-Missouri National Guard, Office of the State Treasurer, Legislative Research, Office of the State Public Defender, Department of Public Safety-Fire Safety, Office of State Courts Administrator, Office of Administration-Budget and Planning, and Office of the Secretary of State** each assumed the proposal will have no fiscal impact on their respective organizations.

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

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Cost - DOC - Change in P&P Officers</u>			\$0 or up to...
Personal Services	\$0	\$0	(\$39,532)
Fringe Benefits	\$0	\$0	(\$24,911)
Equipment and Expense	\$0	\$0	(\$12,072)
<u>Total Cost - DOC</u>	\$0	\$0	(\$76,515)
FTE Change- DOC	0 FTE	0 FTE	1 FTE
<u>Cost - DOC (§§575.040, 575.270 and 575.280) Increased incarceration costs</u>	\$0 or up to <u>(\$47,895)</u>	\$0 or up to <u>(\$117,247)</u>	\$0 or up to <u>(\$152,812)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND*	\$0 or up to <u>(\$47,895)</u>	\$0 or up to <u>(\$117,247)</u>	\$0 or up to <u>(\$229,327)</u>

*Officials from the DOC state due to the narrow scope of the new crimes, the department believes the impact may not be as high as estimated (for new D felony and E felony offenses), and could be as low as zero.

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<u>FISCAL IMPACT - Small Business</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

FISCAL DESCRIPTION

The proposed legislation modifies various provisions governing ethics.

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

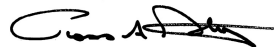
Department of Public Safety-Veterans Commission
Department of Higher Education and Workforce Development
Department of Economic Development
Department of Public Safety-Capitol Police
Missouri State Employees' Retirement System
Office of the Secretary of State
Department of Labor and Industrial Relations
Attorney General's Office
Missouri Department of Conservation
Department of Agriculture
Department of Commerce & Insurance
Department of Transportation
Joint Committee on Administrative Rules
Department of Transportation
Missouri House of Representatives
Department of Mental Health
Department of Social Services
Department of Elementary and Secondary Education
Department of Natural Resources
Office of Administration
Department of Public Safety-Office of the Director
Office of the Governor
State Auditor's Office

SOURCES OF INFORMATION (continued)

Department of Public Safety-Alcohol and Tobacco Control
Department of Health and Senior Services
Office of Administration-Administrative Hearing Commission
Department of Corrections
Department of Public Safety-Missouri State Highway Patrol
Department of Revenue
MoDOT and Patrol Employees Retirement System
Department of Public Safety-Missouri National Guard
Office of the State Treasurer
Legislative Research
Office of the State Public Defender
Missouri Tax Commission
Department of Public Safety-Fire Safety
Office of State Courts Administrator
Department of Public Safety-State Emergency Management Agency
Missouri Consolidated Health Care Plan
Department of Public Safety-Gaming Commission
Office of Prosecution Services
Missouri Senate
Office of Administration-Budget and Planning



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