

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4113-01
Bill No.: SJR 37
Subject: Constitutional Amendments; General Assembly; Public Records; Public Meetings; Sunshine Law
Type: Original
Date: January 3, 2020

Bill Summary: This proposal modifies provisions relating to members of the General Assembly.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0 or \$1,430,401	\$0 or \$2,330,356
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0 or \$1,430,401	\$0 or \$2,330,356

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Total Estimated Net Effect on FTE	0	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	Fully Implemented (FY 2024)
Local Government*	\$0	\$0	\$0	\$0

* Transfer out and transfer in net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assume 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, §115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

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 Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

The SOS will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Oversight has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2021. This reflects the decision made by the Joint Committee on Legislative Research, that

ASSUMPTION (continued)

the cost of the elections should be shown in the fiscal note. The next scheduled statewide primary election is in August 2020 and the next scheduled general election is in November 2020 (FY 2021 for both). It is assumed the subject within this proposal could be on one of these ballots; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2021.

Officials from the **Missouri Senate (SEN)** anticipate a negative fiscal impact to implement a cost of living increase for 34 members of the General Assembly. The impact would affect appropriation 0003 - Senators' Salaries. The amount of impact is zero to unknown due to the unknown factors affecting the calculation. The cost of living percentage of change is unknown; however, for this analysis the 10 year average in the percentage change is being used. In summary, it will cost the Senators' Salaries appropriation \$22,000 in year one of a cost of living increase.

	Current Salary	CPI (assumed to be 1.77%)	Increase Amount	Cost to State per year
Pro-Tem	\$38,415	\$39,095	\$680	\$680
Majority Floor Leader	\$37,415	\$38,077	\$662	\$662
Minority Floor Leader	\$37,415	\$38,077	\$662	\$662
All others (x 31)	\$35,915	\$36,550	\$636	\$19,706
TOTAL				\$21,710

Officials from the **Missouri House of Representatives (MHR)** state the impact of the proposal would not be realized until FY 2023.

Impact 1 - Reduction of House Members from 163 to 136, assuming today's values.

Total annual cost savings	\$2,452,576	
Member Salaries*	\$969,705	(\$35,915 x 27)
Member Session Per Diem*	\$228,312	(\$8,456 x 27)
Member Session Mileage*	\$75,334	(\$2,790 x 27)
Member Expense Account	\$226,800	(\$8,400 x 27)
Average LA Salary	\$952,425	

*Please note that year one would include all of the session savings but only half a year savings for member and LA salaries and expense accounts.

ASSUMPTION (continued)

Impact 2 - Give the remaining 136 members a COLA in FY23 based on CPI. MHR assumes an estimated 1.5% CPI adjustment.

Total annual cost - \$73,267

Oversight will utilize an increase of 2% for Senator's and Representative's salaries, starting in January 2023. Therefore, Oversight will show six months of impact in FY 2023 and a full year of impact in FY 2024 for the increase in salary.

Officials from the **Office of Administration - Budget and Planning** state as the non-partisan state demographer is not housed in the Office of Administration, this proposal will not impact the Office of Administration.

Officials from the **Office of the Attorney General** assume no fiscal impact from the proposal.

Oversight will range the fiscal impact from \$0 (SJR is not approved by the voters) to the estimated impact of reducing the size of the Missouri House of Representatives from 163 to 136, as well as a constitutional increase in salary for General Assembly members. Oversight will assume the impact will begin with the 102nd General Assembly, which sits in January 2023; therefore, six months of savings in FY 2023 (January - June 2023), and a full year of savings in FY 2024. Oversight will assume a full year of savings for Per Diem, Mileage, and Expense Account in FY 2023 (since almost all of those items are paid out to legislators during the January - May session); but only six months of savings for salary and LA salary in FY 2023.

FISCAL IMPACT -
State Government

	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
GENERAL REVENUE				
<u>Savings</u> - MHR - potential savings of reducing the MHR from 163 members to 136 members.				
Salary	\$0	\$0	\$0 or \$484,852	\$0 or \$969,705
Per Diem	\$0	\$0	\$0 or \$228,312	\$0 or \$228,312
Mileage	\$0	\$0	\$0 or \$75,334	\$0 or \$75,334
Expenses	\$0	\$0	\$0 or \$226,800	\$0 or \$226,800
LA Salary	<u>\$0</u>	<u>\$0</u>	<u>\$0 or \$476,213</u>	<u>\$0 or \$952,425</u>
Total Savings - MHR	\$0	\$0	\$0 or \$1,491,511	\$0 or \$2,452,576
<u>Cost</u> - MHR - pay increase for members	\$0	\$0	\$0 or (\$48,845)	\$0 or (\$97,690)
<u>Cost</u> - SEN - pay increases for members	\$0	\$0	\$0 or (\$12,265)	\$0 or (\$24,530)
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0 or \$1,430,401</u>	<u>\$0 or \$2,330,356</u>

<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISIONS				
<u>Transfer In - Local Election Authorities - reimbursement of election costs by the State for a special election</u>	\$0 or More than \$7,800,000	\$0	\$0	\$0
<u>Costs - Local Election Authorities - cost of a special election if called for by the Governor</u>	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<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 constitutional amendment, if approved by the voters, makes several changes regulating the members of the General Assembly.

HOUSE MEMBERSHIP

(Article III, Sections 3 & 9) - The amendment reduces the membership of the House of Representatives from 163 to 136.

COMPENSATION OF GENERAL ASSEMBLY MEMBERS

(Article III, Section 16) - The amendment provides that the compensation of members of the General Assembly shall increase at the beginning of each new General Assembly based upon the increase in the cost of living. The Secretary of the Senate is responsible for determining the increase as of September 30 of each even-numbered year.

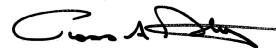
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Missouri Senate
Missouri House of Representatives
Office of the Attorney General
Office of Administration - Budget and Planning



Julie Morff
Director
January 3, 2020



Ross Strobe
Assistant Director
January 3, 2020