

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4868-01  
Bill No.: SJR 59  
Subject: Military Affairs; National Guard; State Departments  
Type: Original  
Date: February 24, 2020

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Bill Summary: This proposal creates the Department of Military Forces.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE, OTHER STATE FUNDS AND FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0
Department of Public Safety (Across all funds)*	\$0 or \$44,970,747	\$0 or \$44,970,747	\$0 or \$44,970,747
Department of Military Forces (Across all funds)*	\$0 or (\$44,970,747, Could exceed \$45,170,757)	\$0 or (\$44,970,747, Could exceed \$45,170,757)	\$0 or (\$44,970,747, Could exceed \$45,170,757)
<b>Total Estimated Net Effect on General Revenue, Other State Funds and Federal Funds</b>	<b>\$0 or (More than \$8,000,000)</b>	<b>\$0 or (Could exceed \$200,000)</b>	<b>\$0 or (Could exceed \$200,000)</b>

\* Transfer of existing appropriation authority of the Missouri National Guard (roughly \$44.97 million and 469 FTE) out of the Department of Public Safety and into the new Department of Military Forces plus an estimated additional \$200,000 for new positions needed to administer the new department. See page 4 for the current appropriation by fund breakout.

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 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Department of Public Safety*	-469.05 FTE	-469.05 FTE	-469.05 FTE
Department of Military Forces*	469.05 FTE	469.05 FTE	469.05 FTE
Department of Military Forces (new)	Could exceed 2 FTE	Could exceed 2 FTE	Could exceed 2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Could exceed 2 FTE</b>	<b>Could exceed 2 FTE</b>	<b>Could exceed 2 FTE</b>

\* Reallocation of FTE to the new department nets to zero.

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0*</b>	<b>\$0</b>	<b>\$0</b>

\*Potential costs and state reimbursements net to zero in FY 2021 if a special election is called.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** state 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, section 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 Secretary of State's office 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 Secretary of State's office 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 the cost of the elections should be shown in the fiscal note. The next scheduled statewide ASSUMPTION (continued)

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 (on a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2021.

Officials from the **Department of Public Safety - Missouri National Guard (MNG)** believe there is a potential fiscal impact of \$150,000 - \$200,000 to our personal services. This potential impact would cause reorganizing into a department structure which would create Division Directors, a Deputy Director and Department Director. The unknown at this time is our ability to pay a percentage of certain employees with federal money depending on their funding source and involvement with military missions.

**Oversight** notes the concerns of the MNG and realizes with a restructure new duties and pay ranges may be established or affected. Therefore, Oversight will reflect a cost of \$0 or (Could exceed \$200,000) to the DOD's budget for additional director's salaries (including fringe benefits) as well as other department-specific personnel that may be required (budget, general counsel, etc.) by creating another department.

According to HB 8 (2019), the total amount appropriated to the Office of the Adjutant General for FY 2020, by fund is:

General Revenue	\$7,904,523
Missouri National Guard Trust Fund	\$5,275,256
Federal Drug Seizure Fund	\$240,000
Veterans' Commission Capital Improvement Trust Fund	\$635,628
Federal Funds	\$30,388,904
Adjutant General Revolving Fund	\$25,000
Missouri Military Family Relief Fund	\$150,000
National Guard Training Site Fund	\$351,436
<b>Total</b>	<b>\$44,970,747</b>

Oversight will range the fiscal impact of the transfer from \$0 (joint resolution is rejected by the voters) to the annual appropriation for the Department of Public Safety - Office of the Adjutant General being transferred out of the Department of Public Safety to the new department.

**Oversight** notes the **Department of Public Safety - Office of the Director** has 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 for this agency.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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**GENERAL REVENUE FUND**

<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs if a special election is called by the Governor	<u>\$0 or (More than \$7,800,000)</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0 or (More than \$7,800,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**DEPARTMENT OF PUBLIC SAFETY**

<u>Reallocation</u> - Adjutant General funding and 469.05 FTE from DPS to the Department of Military Forces	<u>\$0 or \$44,970,747</u>	<u>\$0 or \$44,970,747</u>	<u>\$0 or \$44,970,747</u>
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<b>ESTIMATED NET EFFECT TO THE DEPARTMENT OF PUBLIC SAFETY (Across all funds)</b>	<b><u>\$0 or \$44,970,747</u></b>	<b><u>\$0 or \$44,970,747</u></b>	<b><u>\$0 or \$44,970,747</u></b>
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**DEPARTMENT OF MILITARY FORCES**

<u>Reallocation</u> - Adjutant General funding and 469.05 FTE into the Department of Military Forces instead of the Department of Public Safety	<u>\$0 or (\$44,970,747)</u>	<u>\$0 or (\$44,970,747)</u>	<u>\$0 or (\$44,970,747)</u>
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<u>Cost-</u> MNG-Department of Military Forces: additional Personal Services expenses	<u>\$0 or (Could exceed \$200,000)</u>	<u>\$0 or (Could exceed \$200,000)</u>	<u>\$0 or (Could exceed \$200,000)</u>
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**ESTIMATED NET EFFECT ACROSS ALL FUNDS**

	<u>\$0 or</u> <u>(\$44,970,747,</u> <u>or could exceed</u> <u>\$45,170,747))</u>	<u>\$0 or</u> <u>(\$44,970,747,</u> <u>or could exceed</u> <u>\$45,170,747)</u>	<u>\$0 or</u> <u>(\$44,970,747,</u> <u>or could exceed</u> <u>\$45,170,747)</u>
	FY 2021 (10 Mo.)	FY 2022	FY 2023

**LOCAL POLITICAL SUBDIVISIONS**

<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than \$7,800,000	\$0	\$0
<u>Cost</u> - Local Election Authorities - cost of a special election <b>if</b> called for by the Governor	\$0 or (More than \$7,800,000)	\$0	\$0

**ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS**

**\$0                      \$0                      \$0**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposed constitutional amendment, if approved by the voters, creates the Department of Military Forces which shall consist of the adjutant general and shall administer the militia and any programs relating to military forces.

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

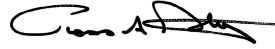
SOURCES OF INFORMATION

Department of Public Safety  
 Office of Secretary of State

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