

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1397S.01I
 Bill No.: SB 309
 Subject: Appropriations; Governor & Lieutenant Governor; Emergencies
 Type: Original
 Date: March 23, 2021

Bill Summary: This proposal establishes the Cash Operating Expense Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Cash Operating Expense Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Oversight notes the proposal creates the Cash Operating Expense Fund and allows for appropriations into the fund by the General Assembly. However, at the end of any fiscal year, should the Cash Operating Expense Fund balance exceed two and one-half percent (2.5%) of the net general revenue collections for the previous fiscal year (equates to roughly \$250 million), the excess balance shall be transferred to the state road fund (50%) and to retire debt of the state (50%).

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- 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 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration – Budget and Planning (B&P)** state this bill creates the “Cash Operating Expense Fund” (COEF).

Deposits into the fund will come from:

- Funds appropriated to the Governor’s Office for emergency duties unexpended at the end of the fiscal year; and
- Funds appropriated by the General Assembly.

In any fiscal year where actual revenues are less than the revenue estimates used in the budgeting process or when there is a budget need due to a natural disaster, the Governor may transfer from the COEF to the general revenue fund.

If, at the end of any fiscal year, the balance in the fund exceeds two and one-half percent of the net general revenue for the previous fiscal year, the excess amount shall be allocated as follows:

- Fifty percent (50%) shall be transferred to the state road fund to cover transportation cost-share programs; and
- Fifty percent (50%) shall be transferred to debt retirement.

Officials from the **Missouri Department of Transportation** deferred to the Department of Revenue. Officials from the **Department of Revenue (DOR)** state the bill will receive funds from the General Assembly in accordance with the guidance in this proposal. Money in the Fund will be used for transportation, debt retirement of bonds and to help fund natural disasters in the state. The creation of the Fund will not impact DOR.

Officials from the **Office of the Governor**, the **Office of the State Treasurer**, the **Department of Public Safety – Missouri National Guard** and **State Emergency Management Agency** each assume the proposal would not fiscally impact their respective agencies.

Oversight notes the proposal establishes the Cash Operating Expense Fund and allows for appropriations into the fund by the General Assembly. However, at the end of any fiscal year, should the Cash Operating Expense Fund exceed two and one-half percent (2.5%) of the net general revenue collections for the previous fiscal year, the excess balance shall be transferred to the state road fund (50%) and to retire debt of the state (50%).

Oversight notes the Net General Revenue Collections is projected to be roughly \$10 billion; therefore 2.5% of such would equate to roughly \$250,000,000. Oversight assumes this bill simply creates the fund and establishes the parameters of the fund; therefore, Oversight assumes no fiscal impact from the bill.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
CASH OPERATING EXPENSE FUND			
§33.575.1 establishes the fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE CASH OPERATING EXPENSE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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 act establishes the "Cash Operating Expense Fund", which shall consist of any funds appropriated to the Office of the Governor for expenses incident to emergency duties performed by the National Guard, matching funds for federal grants and emergency assistance, and expenses of any state agency responding during a declared emergency, as described in the act, that are unexpended at the end of a fiscal year, and moneys appropriated by the General Assembly.

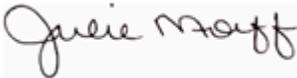
The Governor may transfer moneys from the fund into the General Revenue Fund in any fiscal year in which actual revenues are less than the revenue estimates upon which appropriations were based or in which there is a budget need due to a natural disaster, as proclaimed by the Governor to be an emergency.

If the balance in the fund at the close of any fiscal year exceeds 2.5% of net General Revenue collections for the previous year, such excess shall be divided evenly between the State Road Fund and debt retirement related to bonds issued by or on behalf of the state, as described in the act.

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 - Budget and Planning
Missouri Department of Transportation
Department of Revenue
Office of the Governor
Office of the State Treasurer
Department of Public Safety



Julie Morff
Director
March 23, 2021



Ross Strobe
Assistant Director
March 23, 2021