

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2996S.01I
Bill No.: SB 767
Subject: Federal - State Relations; Governor and Lt. Governor; Military Affairs; National Guard
Type: Original
Date: April 1, 2025

Bill Summary: This proposal establishes provisions relating to active duty combat deployment by the United States Congress for the Missouri National Guard.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Loss of federal funds could be substantial and assumed to exceed \$250,000 if funds are withheld by the NGB.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§41.037 and 41.480 – Provisions relating to active duty combat deployment by U.S. Congress for Missouri National Guard

Officials from the **Missouri National Guard (MONG)** provide §41.037 in the proposed SB 767 states the Missouri National Guard and any member thereof shall not be released from the state into active-duty combat unless the United States Congress has passed an official declaration of war to explicitly call forth the Missouri National Guard.

Research performed into the impacts of this legislation has revealed that there could be significant unintended consequences for the Missouri National Guard. The predominant funding for Missouri National Guard activities and members is provided through federal funding from the National Guard Bureau (NGB). This funding and the Guard positions are largely tied to training and staffing to prepare and bolster the MONG's readiness should the Missouri National Guard be called on to defend the nation. The proposed legislation could have the unintended consequence of signaling to the National Guard Bureau that it does not intend to train and provide readiness for national service and, therefore, the MONG could see a large portion, if not all its federal funding withheld.

The ultimate impact could be a loss of approximately \$500 million in federal funds and affect more than 13,000 Guard-related jobs, resulting in a direct and indirect economic impact of over \$900 million to Missouri's economy.

Officials from the **Office of the Governor** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight notes, in response to similar legislation from 2023 (HB 166), the GOV stated this proposal would prohibit the deployment of the Missouri National Guard for active duty unless compelled by a formal declaration of war by the United States Congress that specifically calls forth the Missouri National Guard. Nothing in this section limits or prohibits the Governor from consenting to the deployment of any Missouri National Guard member under Title 32 of the United States Code.

Oversight has no information to the contrary of that provided by the MONG and the GOV. Oversight assumes the proposal will have a \$0 or (Unknown) fiscal impact on the MONG's federal funds.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
FEDERAL FUNDS			
*Loss – MONG (§41.037) – withholding of federal NGB funds p.3	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>

*Loss of federal funds could be substantial and assumed to exceed \$250,000 if funds are withheld by the NGB.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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 provides that the Missouri National Guard shall not be called forth into active duty combat by the Governor unless the United States Congress has:

- (1) Made an official declaration of war; or
- (2) Called forth the Missouri National Guard and the members thereof in an official action taken pursuant to the Constitution of the United States for the purposes of expressly executing the laws of the United States, repelling invasion, or suppressing an insurrection.

Furthermore, the Governor shall take all necessary actions to comply with the requirements of this act. Lastly, nothing in this act shall be construed to prohibit or limit the Governor's authority to deploy the Missouri National Guard into active duty for the purposes of defense support for civil authority missions in a foreign state or within the United States. (§41.037)

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

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SOURCES OF INFORMATION

Office of the Governor
Missouri National Guard

A handwritten signature in cursive script that reads "Julie Morff".

Julie Morff
Director
April 1, 2025

A handwritten signature in cursive script that reads "Jessica Harris".

Jessica Harris
Assistant Director
April 1, 2025