

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 2700-02
BILL NO. SJR 40
SUBJECT: Elections; Public Service Commission
TYPE: Original
DATE: January 11, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Public Service Commission*	\$0	\$0	\$0
General Revenue	(\$1,843,800)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$1,843,800)	\$0	\$0

* Assumes net costs of \$712,572, \$1,093,921 and \$1,065,942 in FY 01, FY 02 and FY 03, respectively and an increase in the PSC assessment and appropriation, resulting in a net effect of \$0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development, Public Service Commission (PSC)** state that implementation of this proposal would require up to nine additional Commissioners (9 FTE @ \$91,185 per year) for a period of time and four administrative secretaries (4 FTE @ \$32,163 per year) with related fringe, expense and equipment, commencing January 1, 2001, resulting in an annual net cost of approximately \$1 million for FY 01, FY 02 and FY 03. The costs reflect nine Commissioners being elected and appointed Commissioners being phased out at the end of appointment. There would be various numbers of appointed Commissioners serving contemporaneously with nine elected Commissioners for a period of time.

The PSC has included estimated costs of \$15,000 to renovate the agenda room and hearing room to accommodate the additional Commissioners. There would be various numbers of appointed Commissioners serving contemporaneously with nine elected Commissioners for a period of time, resulting in as many as 14 Commissioners for a period of time. PSC officials have also included rental space for the 13 additional FTE, resulting in annual costs of approximately \$30,000. However, **Oversight** assumes the PSC will locate these new FTE in the existing facilities and have only included costs associated with the renovations in the fiscal impact specifications below.

Pursuant to SJR 40, one Commissioner from each Missouri Congressional District would be elected at the general election in November 2000. During the time period included in the fiscal note, two Commissioners' terms would end April 14, 2001 and another two Commissioners' terms would end April 14, 2003. Therefore, time periods from April 15, 2001 through the end of FY 01, in FY 02 and in FY 03, savings would be realized for the appointments that expire in 2001. Also, from April 15, 2003 through the end of FY 03, savings would be realized for the appointments that expire in 2003.

The four additional secretaries would have the same duties and responsibilities as the present secretaries to the present Commissioners. The additional Commissioners would have the same statutory duties and responsibilities as the appointed Commissioners.

The **Department of Economic Development, Office of the Public Counsel (OPC)** assume this proposal would not fiscally impact their agency.

Officials from the **Office of the Secretary of State (SOS)** assume advertising costs associated with the proposal would be \$43,800 in FY 01. Advertisement costs for the proposal would be \$1,460 per newspaper column inch for the text of the proposal, the introduction, title, fiscal note summary, and affidavit.

ASSUMPTION (Continued)

Oversight assumes that in order to hold the first election for Commissioners at the November 2000 general election, this proposal would need to go on the ballot at latest in the spring of 2000. Therefore, the **SOS** has noted that additional costs for an April 2000 election would be approximately \$1.8 million.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
PUBLIC SERVICE COMMISSION FUND			
<u>Savings-Public Service Commission (PSC)</u>			
Personal Service	\$38,944	\$191,602	\$237,308
Fringe Benefits	11,975	58,918	72,972
Expense	<u>1,915</u>	<u>9,470</u>	<u>11,785</u>
Total <u>Savings</u> - PSC	\$52,834	\$259,990	\$322,065
<u>Costs-PSC</u>			
Personal Service (13 FTE)	(\$486,525)	(\$997,376)	(\$1,022,310)
Fringe Benefits	(149,606)	(306,693)	(314,360)
Expense and Equipment	<u>(129,275)</u>	<u>(49,842)</u>	<u>(51,337)</u>
Total <u>Costs</u> - PSC	(\$765,406)	(\$1,353,911)	(\$1,388,007)
<u>Revenue-PSC</u>			
Assessment to utilities	\$712,572	\$1,093,921	\$1,065,942
ESTIMATED NET EFFECT ON PUBLIC SERVICE COMMISSION FUND			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
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Costs - Office of the Secretary of State (SOS)			
Newspaper Advertisements	(\$43,800)	\$0	\$0
Election Costs	(\$1,800,000)	\$0	\$0
Total Costs - GR	(\$1,843,800)	\$0	\$0
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ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	(\$1,843,800)	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would make Public Service Commissioners elected officers, with one from each of the nine congressional districts, beginning at the general election in the year 2000 and every four years thereafter. Commissioners would serve four-year terms, except for those first elected from even-numbered districts who would initially serve two-year terms. Currently, Public Service Commissioners are appointed and serve six-year terms. Current Commissioners would serve until their terms expire. The newly elected Commissioners would enter office on the first day of January after the election.

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

This proposal could affect Total State Revenues.

SOURCES OF INFORMATION

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Department of Economic Development
Public Service Commission
Office of the Public Counsel
Office of the Secretary of State

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 11, 2000