

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3018-01  
BILL NO.: SJR 0039  
SUBJECT: Education, Elementary and Secondary: School Aid  
TYPE: Original  
DATE: January 10, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$52,560)	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$52,560)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Attorney General's Office** assume the proposal would result in no fiscal impact to the agency.

Officials from the **Department of Revenue** assume that a sales tax increase would require them to incur programming costs to make a statewide change, test it and notify 120,000 sales taxpayers. They assume they would incur overtime costs of \$31,213, plus applicable fringe benefits, in FY 2001 to program a statewide sales tax rate change. Postage costs to notify 120,000 sales taxpayers of a rate change would be \$39,600 in FY 2001.

Officials from the **Office of Administration - Budget and Planning** assume the proposal would result in no additional cost or savings to the agency. They estimate that in fiscal year 2001 a one cent sales tax levied on the General Revenue sales tax base would yield approximately \$611 million.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume if this resolution would pass, the General Assembly would change the state school aid distributed through the State School Moneys Fund; however, there is not enough information available to determine a specific fiscal impact to this proposal. Without a formula, a cost cannot be determined.

Officials from the **Secretary of State's Office** assume statewide publication of constitutional amendments costs approximately \$1,460 per column inch based on estimates provided by the Missouri Press Service x 3 for multiple printings as required by the Constitution and state statutes = \$4,380 per column inch. The estimated total number of inches for this amendment would be 12 inches, which includes title header and certification paragraph. \$4,380 x 12 inches = \$52,560.

The **Oversight Division** assumes that even if the proposal would be approved by the voters, the sales tax increase would require action by the General Assembly in order to be implemented. Therefore, Oversight has only included election costs in the fiscal impact section of this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>GENERAL REVENUE FUND</b>			
<u>Cost-Secretary of State's Office</u>			
Newspaper Advertisements	<u>(\$52,560)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>			
	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small businesses could be impacted by an additional sales tax of one percent, if authorized by the General Assembly.

DESCRIPTION

The proposal contains an election clause for the November, 2000 election.

The proposal would require the General Assembly, within twelve months of the effective date of the section, to establish a state school aid distribution formula, subject to certain requirements.

The proposal would authorize the General Assembly to enact, without further voter approval, an increase in the state sales tax of up to one percent. Appropriations for state school aid would be increased no less than the estimated amount of the increase in revenues obtained the prior fiscal year from the increase in state sales tax.

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

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Department of Elementary and Secondary Education  
Secretary of State's Office  
Department of Revenue  
Office of Administration - Budget and Planning  
Attorney General's Office

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 10, 2000