

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0842-01  
Bill No.: HJR 10  
Subject: Education, Elementary and Secondary; Children and Minors; Constitutional Amendments  
Type: Original  
Date: February 15, 2011

Bill Summary: Proposes a constitutional amendment removing the current ban on providing state funding to educational facilities controlled by religious organizations.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 or (More than \$318,472,857)	\$0 or (More than \$318,472,857)	\$0 or (\$311,472,857)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or (More than \$318,472,857)</b>	<b>\$0 or (More than \$318,472,857)</b>	<b>\$0 or (\$311,472,857)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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 2012</b>	<b>FY 2013</b>	<b>FY 2014</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 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assume unless a special election is called for the purpose, Joint Resolutions are submitted to a vote of the people at the next general election. 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. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people and Article XII section 2(b) authorizes the governor to call a special election to submit constitutional amendments to a vote of the people.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article I, Section 26, 27, 28 of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2011, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$1.02 million to publish (an average of \$170,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, 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 change the amount or eliminate the estimated nature of our 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 2011. 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 general election is in February (FY 2012). It is assumed the subject within this proposal could be on that ballot; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2012.

ASSUMPTION (continued)

To estimate the expense the state would incur for reimbursing local political subdivisions for a special election, Oversight requested expense estimates from all election authorities for an election. Eighty-six out of the one hundred fifteen election authorities responded to Oversight's request. From these respondents; the total election expense that would have to be reimbursed by the state government is over \$7 million. Therefore, Oversight will reflect a potential cost borne by the state in FY 2012 of over \$7 million for reimbursement to the local political subdivisions. Oversight assumes the Governor could call for a special election to be held prior to February , 2012 regarding this joint resolution; however, if a special election is not called, the subject will be voted on at the general election in February 2012.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the passage of this proposal would be a definite increase in cost to the state. It is an amount that would be extensive. According to DESE, it is safe to assume that any parent who has a student attending a private school would take advantage of public money to help defray the cost of tuition. Starting with the number of private schools that have registered with DESE for Federal Program purposes (528 schools; reporting 85,499 students - this is most but not all of the private schools in the state), and multiplying the enrollment by the average amount of Basic Formula per Weighted Daily Attendance (\$3,643) yields a cost to the state of \$311,472,857.

Officials from the **City of Kansas City** and **St. Louis County** assume there will be no fiscal impact to their agency.

Officials from **St. Louis Public Schools** assume this proposal could result in a significant reduction with an already underfunded formula. Limited funds would have to be allocated over a larger number of students.

Officials from **Parkway Schools** assume this proposal as written and approved by voters, has the potential to cost approximately \$76 million in Parkway School District alone.

Approximately 7,600 children age K-12 attend private schools in Parkway. The state and local portion of their cost is approximately \$10,000 per student. If all of those students receive a stipend, the cost would be \$76 million. This is approximately 35% of their operating budget.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Expense</u> - reimbursement of local political subdivisions for special election costs	\$0 or (More than \$7,000,000)	\$0 or (More than \$7,000,000)	\$0
<u>Cost</u> - Department of Elementary and Secondary Education Cost of Tuition	\$0 or <u>(\$311,472,857)</u>	\$0 or <u>(\$311,472,857)</u>	\$0 or <u>(\$311,472,857)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>\$0 or (More than <u>\$318,472,857</u>)</b>	<b>\$0 or (More than <u>\$318,472,857</u>)</b>	<b><u>\$0 or (\$311,472,857)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - cost reimbursement from the State for special election	\$0 or More than \$7,000,000	\$0 or More than \$7,000,000	\$0
<u>Expense</u> - cost for special election	\$0 or (More than <u>\$7,000,000</u> )	\$0 or (More than <u>\$7,000,000</u> )	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>LOCAL FUNDS</b>			
<u>Cost</u> - Department of Elementary and Secondary Education			
Cost of Tuition	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL FUNDS</b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

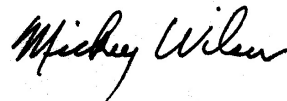
Upon voter approval, this proposed constitutional amendment repeals the prohibition against state funds being used to support any religion or religious school and specifies that parents or guardians have the right to choose any school for their children. A stipend must be provided to pay for education in the amount equal to the state and local funding paid to the public school to parents choosing any accredited school other than the public school assigned to their child by geographical location. Grants or donations of personal property may be made by the state or any political subdivision for any religious creed, church, or sectarian purpose but the current prohibition on donating real estate continues.

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

Secretary of State's Office  
City of Kansas  
City of St. Louis  
St. Louis Public Schools  
Department of Elementary & Secondary Education



Mickey Wilson, CPA  
Director  
February 15, 2011