

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5366-02
Bill No.: HJR 74
Subject: Constitutional Amendments; Boards, Commissions, Committees, Councils;
 Education, Elementary and Secondary
Type: Original
Date: April 4, 2014

Bill Summary: This legislation proposes a Constitutional Amendment that would require members of the State Board of Education to be elected.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 or (More than \$7,100,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0 or (More than \$7,100,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

- 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government*	\$0	\$0	\$0

***Offsetting Transfers In and Expenses are \$0 or More than \$7,100,000 in FY 2015**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** assume no fiscal impact as a result of this proposal.

Officials from the **Missouri Senate** state the proposed legislation has no fiscal impact beyond existing appropriations.

According to officials from the **Office of Secretary of State (SOS)**, each year a number of Joint Resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a Constitutional Amendment are submitted to a vote of the people at the next general election. Article XII, Section 2(b) of the Missouri Constitution authorizes the Governor to order a special election for Constitutional Amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, §115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and §§116.230-116.290, RSMo. The SOS 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 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). Therefore, the SOS 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, the SOS reserves the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of the SOS appropriation.

ASSUMPTION (continued)

Oversight has reflected in this fiscal note, the cost to the state for potential reimbursement to local political subdivisions for the cost of having this joint resolution voted on during a special election in fiscal year 2014. 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 November 2014 (FY 2015). 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 2015.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the addition of eight candidates to the general election would create additional duties and costs for local election authorities; however, DESE defers to the Secretary of State regarding the extent of those election costs.

Depending upon the actions of voters, the results of the election could result in increased or decreased expense reimbursements for members of the state board of education; however, DESE cannot predict the actions of voters.

Officials from the **St. Louis County of Directors of Elections** and the **Platte County Board of Election Commissioners** assume no direct fiscal impact as a result of this proposed legislation.

Officials at the following board of election commissions: Kansas City Election Board, St. Louis City Board of Election Commission, Clay County Board of Election Commission, and the Jackson County Board of Election Commission, did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Transfer Out</u> - Office of Secretary of State - Reimbursement to local election authorities for election costs if a special election is called	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or (More than \$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - Local Election Authorities - Cost reimbursement from the State for a special election	\$0 or More than \$7,100,000	\$0	\$0
<u>Expense</u> - Local Election Authorities - Cost of special election	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<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 proposed constitutional amendment, if approved by the voters, will change the method of selection for members of the State Board of Education from selection by the Governor to election based on residence in congressional districts beginning with the general election of 2016. Four members will serve two-year initial terms, and four will serve four-year terms; subsequent terms will be for four years.

FISCAL DESCRIPTION (continued)

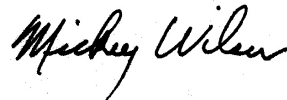
Candidates must have resided in the state for at least five years and in the congressional district for at least one year preceding the election. No member can serve more than two full terms, be connected with any school or college, or be the holder of or candidate for another public office. Procedures are provided for membership if the number of congressional districts changes and for the appointment of officers.

The proposed amendment establishes a recall process, based on a petition signed by at least 25% of the votes cast in the last general election. Upon verification of the petition by the Secretary of State, an election must be held within 60 days. If the voters approve the recall, an election for a new member must be held within 90 days. Any vacancy on the board must be filled by election within 90 days.

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

Department of Elementary and Secondary Education
Office of the Governor
Missouri Senate
Office of Secretary of State
 Division of Elections
Local Election Boards
 Platte County Board of Elections
 St. Louis County Directors of Elections



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