

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (16-065)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received June 3, 2015)

Date

June 23, 2015

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2016.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County Legislators**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **St. Louis County Election Board**, **St. Louis City Election Board**, **Kansas City Election Board**, **Platte County Board of Elections**, **Jackson County Election Board**, and **Clay County Election Board**.

Assumptions

Officials from the **Attorney General's office** indicated they assume that any potential costs arising from the adoption of this proposal can be absorbed with existing resources.

Officials from the **Department of Economic Development** indicated no fiscal impact for their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact on their department.

Officials from the **Department of Health and Senior Services** indicated no fiscal impact on their department.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** indicated this petition, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated no fiscal impact on their department.

Officials from the **Department of Revenue** indicated this petition will have no fiscal impact on their department.

Officials from the **Department of Public Safety** indicated they see no fiscal impact due to this initiative petition.

Officials from the **Department of Social Services** indicated there is no fiscal impact on their department.

Officials from the **Governor's office** indicated there should be no fiscal impact to their office.

Officials from the **Missouri House of Representatives** indicated the effective date is January 2019 or the 1st regular session of the 100th general assembly. Using today's costs, here are the estimated savings resulting from the reduction of 113 House members:

SAVINGS:

Member salaries = 113 x \$35,915 = \$4,058,395

Legislative assistant salaries = 113 x \$29,500 = \$3,333,500

Member \$700 accounts = 113 x \$8,400 = \$949,200

Session per diem = 113 x \$103.20 x 70 days = \$816,312

Session mileage = 113 x 270 miles x \$0.37 x 19 weeks = \$214,485

Total Estimated Savings = \$9,371,892

Officials from the **Department of Conservation** indicated that no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Office of Administration** indicated this proposal will have no impact on their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Secretary of State's office** indicated:

This proposal will require changes be made regarding elections in the State of Missouri. These changes will likely include: the re-programing of voting machines, changes to the Missouri Centralized Voter Registration system, and postage costs for absentee ballots. Each of these changes is likely to include additional costs which must be covered by both the State of Missouri and local election authorities. Under this proposal, the State and local election authorities are also likely to incur additional costs associated with petition signature verification. Their office contacted vendors regarding the potential costs of these changes. Vendors were unable to provide an estimate of these potential costs. There is also the possibility of a special statewide primary election. If necessary, a special statewide primary election would have an estimated cost of \$7.1 million (based on the cost of the 2012 Presidential Preference Primary).

Their office 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 Section 116.230-116.290, RSMo. Their 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. Through FY (fiscal year) 2013, the appropriation had 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). In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and their office was appropriated \$1.19 million to publish the full text of the measures. Due to this reduced funding, their office

reduced the scope of the publication of these measures. In FY 2015, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). Despite the FY 2015 reduction, their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will not have any substantial impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **St. Louis County** indicated this is essentially a proportional representation system, much like what many European countries use. If there was any fiscal impact at all, it would probably be positive for their county. Their county could probably consolidate some election precincts, since state representative districts would no longer exist. If parties chose to have a caucus rather than a primary, it could potentially save significant costs in terms of ballot printing. However, an exact cost savings cannot be determined.

Officials from the **University of Missouri** indicated they have determined there will be no estimated costs or savings.

The State Auditor's office did not receive a response from the **Department of Agriculture**, the **Department of Higher Education**, the **Department of Transportation**, the **Missouri Senate**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County Legislators**, **Jasper County**, **St. Charles County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **St. Louis Community College**, **St. Louis County Election Board**, **St. Louis City Election Board**, **Kansas City Election Board**, **Platte County Board of Elections**, **Jackson County Election Board**, and **Clay County Election Board**.

Fiscal Note Summary

Reduced legislative operating costs would result in annual estimated savings to state government of at least \$9.3 million. An unknown change in election related costs is expected for state and local governments.