

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (20-R001)**

Subject

Referendum petition from Sara Baker regarding Senate Substitute for Senate Committee Substitute for House Bill No. 126. (Received May 28, 2019)

Date

June 17, 2019

Description

Voters will approve or reject this statutory change.

The referendum is to be voted on in November 2020.

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**, **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**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, and **Missouri Life Sciences Research Board**.

Judy Morgan, District 24, Ingrid Burnett, District 19, and Donna Baringer, District 82, members of the Missouri House of Representatives Fiscal Review Committee provided information to the State Auditor's office.

Sarah Nesbitt, Washington University graduate and 240 graduates of Missouri institutions of higher education provided information to the State Auditor's office.

Mark R. Reading and Bret Fischer provided information to the State Auditor's office.

Kip Kendrick, State Representative, District 45, Ranking Member House Budget Committee provided information to the State Auditor's office.

Sarah W. Martin, 11th Ward Alderwoman, Lyda Krewson, Mayor, Annie Rice, 8th Ward Alderwoman, Dan Guenther, 9th Ward Alderman, Larry Arnowitz, 12th Ward Alderman, Cara Spencer, 20th Ward Alderwoman, Bret Narayan, 24th Ward Alderman, Shane Cohn, 25th Ward Alderman, and Heather Navarro, 28th Ward Alderwoman from City of St. Louis provided information to the State Auditor's office.

Assumptions

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

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

Officials from the **Department of Elementary and Secondary Education** indicated this legislation does not impact their department.

Officials from the **Department of Higher Education** indicated they report no fiscal impact for HB 126 as Truly Agreed and Finally Passed (TAFP).

Officials from the **Department of Health and Senior Services** indicated this referendum has no impact.

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 fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated initiative petition 20-R001 does not appear to have a fiscal impact on their department.

Officials from the **Department of Revenue** indicated their department has no impact for this fiscal note.

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

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this referendum petition.

Officials from the **Governor's office** indicated there should be no added costs or savings to their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact to their office.

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

Officials from the **Department of Transportation** indicated this referendum petition would have no impact to their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated the referendum petition would put the provisions of HB 126 to a vote of the people in the November 2020 general election.

HB 126 provides that for all tax years beginning on or after January 1, 2021, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to 70% of the amount such taxpayer contributed to a pregnancy resource center, an increase from the 50% previously allowed. The fiscal note for HB 126 estimates that this increase will result in a loss to General Revenue that could exceed \$1.4 million annually beginning in Fiscal Year 2022.

HB 126 removes the December 31, 2024 sunset on the pregnancy resource center tax credit. The fiscal note for HB 126 estimates that the removal of the sunset will result in a loss to General Revenue that could exceed \$4.9 million annually beginning in Fiscal Year 2026.

HB 126 expands the definition of pregnancy resource center to include facilities that offer services under the Alternatives to Abortion Program. It also removes the cap on the pregnancy resource tax credit for all fiscal years beginning on or after July 1, 2021. The fiscal note for HB 126 notes that these provisions, as well as the increased tax credit percentage, could increase utilization of the pregnancy resource center tax credit by an unknown amount.

Therefore, because HB 126 is estimated to reduce General Revenue by an amount that could exceed \$4.9 million once the provisions are fully implemented in Fiscal Year 2026, if HB 126 were repealed there could be a positive impact to General Revenue that could exceed \$4.9 million.

This should not impact their office.

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

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Office of the State Public Defender** indicated Referendum Petition 20-R001 "Abortion" will have an unknown but significant fiscal impact on the State Public Defender System. Referendum Petition 20-R002 creates a new Class B felony for "any person who knowingly . . . induces an abortion of an unborn child . . .," which arguably would include post-conception contraception. If so, this would result in the prosecution of an unknown but significant number of indigent women throughout the state which would require representation by the State Public Defender System for the purpose of the referendum petition and as a result of excessive caseloads, their office CANNOT assume existing staff will provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime of knowingly performing or inducing an abortion of an unborn child. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards. Their office will continue to request sufficient appropriations to provide competent and effective representation in all criminal cases where the right to counsel attaches.

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

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this referendum petition.

Officials from the **City of Kansas City** indicated they cannot appreciate or ascertain any reasonable estimate of direct fiscal impact.

Officials from the **City of St. Louis** indicated their local government estimates the fiscal impact of the bill for fiscal years 2020, 2021 and 2022 to be as follows:

In their city, ensuring access to high-quality family planning and reproductive health services for all women, especially those who are uninsured or underinsured, is critical to improving health outcomes for the St. Louis region. Planned Parenthood and Federally Qualified Health Centers (FQHC) in their city serve as safety nets for the aforementioned population. FQHCs provide comprehensive services, which include, but are not limited to: women's health (obstetrics/gynecology, family planning, pregnancy testing, childbirth classes), pediatrics and teens, immunizations, adult medical services, sexually transmitted

infections testing (including HIV) and treatment, dental, lead screening and treatment, and diabetes and nutrition education classes.

Planned Parenthood offers a variety of family planning, cancer prevention, and comprehensive reproductive health services, which include but are not limited to: annual gynecological exams, cervical cancer screenings, birth control, breast exams, STI testing and treatment, abortion care, emergency contraception, pregnancy tests, HPV vaccinations, urinary tract infection treatment, and vasectomies. If Planned Parenthood is no longer able to provide comprehensive reproductive and family planning services, this will create a critical gap in the St. Louis region's local public health system infrastructure, which will increase the vulnerability of economically disenfranchised populations who bear the highest burden of poor health outcomes (e.g., maternal mortality, infant mortality, chronic diseases). In addition, this will have a dire fiscal impact on other components of the health system, which will have to absorb the direct and indirect costs of obstetric care and postpartum care for the underinsured, uninsured, and for persons with public insurance (e.g., Gateway for Better Health, Medicaid).

According to recent data, the cost of having a baby in the St. Louis area ranges from \$4,668 - \$15,607. This range does not include delivery, indirect costs, or other special circumstances that may require additional resources or more specialized medical care. This is a cost that will be paid by hospital systems. In total, the increased costs of full-term OB care, postpartum care, and related administrative costs may exceed \$7 million annually.

In addition, the safety net of reproductive care for women with limited means is fragile. If the largest provider of reproductive health care in St. Louis is unable to financially continue to be a cornerstone in the delivery of access to care, the cost in replacing the current reproductive care would be \$37 million in direct care costs with an additional \$8 million in increased administration costs.

One of the essential services of public health is the assurance that access to care is provided in the regions within the city's authority. The threat of massive disruptions to the delivery of care in the region to potentially vulnerable residents is significant.

They affirm the potential threat of disruption in Medicaid funding that could result from not complying with federal legislation that pledges access to comprehensive reproductive health services. In the past, their city has been penalized by federal agencies for maintaining state legislation that does not conform to minimum standards established by the federal government. Medicaid funding continues to be the glue that holds together the foundational structure for access to care. The impact of losing Medicaid funding will be calamitous to the St. Louis region's local public health system, and the lives of St. Louis residents and visitors.

Convention and Tourism

Their city has already had one Convention cancel for 2024 due to the passage of HB 126. The summarized data is as follows.

American Society for Engineering Education
Annual Conference & Exposition
Dates: June 15-18, 2024
Attendees: 4,500
Peak/Total Room Nights: 1,700/6,842
Direct Spend Economic Impact: \$4.87 million

The speed at which this cancelation came through is indicative that the Convention Business would lose 3 to 4 conventions a year. The American Society for Engineering Education is representative of many of the Conventions that will be booked.

Over the next three years, at a minimum, it is expected that the loss of 3 Conventions a year will result in a \$14.61 million dollar loss of economic activity each year in their city.

Loss of Students' Spending while attending our Universities

Information provided by Washington University indicates that their average student spends approximately \$81,000 each, which is the impact on the local economy. If both major Universities lose conservatively 100 applicants in each of the next 3 years (200 for 1 year, 200 for 2 years, and 200 for 3 years), the amount of loss local economic activity would be \$97,000,000.

Officials from **Wellsville-Middletown R-1 School District** indicated any bill that impacts the ability to provide health-related services to women including contraception, family planning, pre & post-natal services and yes, medically safe abortions, will have a long term fiscal impact on all state services.

Officials from **Metropolitan Community College** indicated no anticipated fiscal impact for their college.

Judy Morgan, District 24, Ingrid Burnett, District 19, and Donna Baringer, District 82, members of the Missouri House of Representatives Fiscal Review Committee provided the following information:

Nicole Galloway, CPA
Missouri State Auditor
Capitol Office
State Capitol, Rm 121
Jefferson City, MO 65101

June 7, 2019

Dear Auditor Galloway,

As members of the Fiscal Review Committee of the Missouri House of Representatives, we are writing in regard to House Bill No. 126, which was passed by the Missouri legislature on May 17, 2019. Specifically, we would like to address the fiscal implications of House Bill No. 126.

First, in the first sentence of paragraph one of the fiscal analysis dated May 16, 2019 (page 3), Oversight noted, “Due to time constraints of less than 1 hour, Oversight was unable to receive some of the agency responses in a timely manner and performed limited analysis.” It is quite disconcerting that the Missouri legislature passed House Bill No. 126 when Oversight clearly did not have the time to adequately analyze the fiscal implications of said bill. We consider spending taxpayer dollars with “limited analysis” of its fiscal implications as irresponsible and foolish.

Second, the truly agreed to and finally passed version of House Bill No. 126 made significant changes to the tax credits for pregnancy resource centers. Currently the program has a \$2.5 million cap, which will expand to \$3.5 million on July 1, 2019, contains a sunset clause of December 31, 2024, and awards taxpayers up to a 50% tax credit for contributions they make to pregnancy resource centers.

House Bill No. 126 removes both the cap and the sunset for pregnancy resource centers and increases the amount of the tax credit awarded to taxpayers from 50 percent to 70 percent of their contributions to such centers. Listed below are relevant statements from the fiscal analysis in regard to the changes in the tax credits for pregnancy resource centers.

- “Also, if the amount of tax credits redeemed in a fiscal year is less than the cumulative amount, the difference shall be carried over to a subsequent fiscal year or years and shall be added to the cumulative amount of tax credits that may be authorized in that fiscal year or years. Therefore, adding unused credits from the previous year(s), the cap in any given year past FY 2019 could well exceed \$3.5 million.” (Page 3)
- “Oversight notes this proposal allows facilities that offer services under the Alternatives to Abortion program to qualify for the pregnancy resource center. Oversight assumes this could expand the number of pregnancy resource centers that are eligible to distribute this tax credit.” (Page 4)
- “Oversight notes that starting January 1, 2021 (FY 2021) this proposal increases the amount of the credit from 50 percent of the contribution to 70 percent of the contribution. Increasing the tax credit amount could encourage additional taxpayers to participate in the program.” (Page 4)

- “Oversight notes with the combination of;
 - expanding the definition of pregnancy resource centers;
 - increasing the percentage of the credit; and
 - removing the capwould increase the utilization of the credit and Oversight will show all impacts as Could exceed the estimates provided above.” (Page 4)

From a fiscal perspective, we are very concerned about the changes House Bill No. 126 stipulated in regard to pregnancy resource centers – from lifting the cap and sunset to increasing the tax credit from 50 percent to 70 percent for contributions. As the fiscal analysis noted with such broad ranging parameters, all the estimates for the cost of implementing these changes are listed in the “Could exceed” range of dollars. Although the fiscal analysis estimated the cost at (Could exceed \$1.4 million) in FY 22 and (Could exceed \$4.9 million) in FY 26, we are basically working in the dark. Since the amounts are listed as “Could exceed,” we actually do not know how much the state coffers will lose based on these changes.

In addition sunsets serve a useful purpose in that the program comes back to the legislature for review automatically on a periodic basis. Removing the sunset means that the legislature will never again look at the tax credit program for pregnancy resource centers.

Third, under current federal law known as the Hyde Amendment, Medicaid is only required to pay for abortions in the cases of rape, incest, or threat to the life of the mother. The fiscal analysis noted, “. . .officials from the Department of Social Services (DSS) stated the proposed language may be subject to legal challenge on the grounds that it may conflict with current federal law governing the Medicaid program to the extent that it would prohibit the Missouri Medicaid program from paying for abortions in cases of pregnancies arising from rape or incest, or in cases where the abortion is necessary to save the life of the mother.” (Page 5)

Oversight documented that Missouri was directed by the United States District Court in 1994 to comply with the requirements of the Hyde Amendment. (Page 6) Furthermore, the fiscal analysis stated, “Failure to comply with the requirements of current federal law could subject Missouri to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. The extent of the deferral or disallowance is unknown. Oversight noted in response to House Bill No. 126, the DSS stated the legislation could result in the loss of all federal Medicaid funds.” (Page 6)

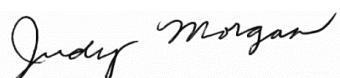
Therefore, implementation of House Bill No. 126 could result in our state losing the federal dollars we receive for MO HealthNet. According to the fiscal analysis, that amount for Fiscal Year 2019 was over \$7.2 billion. (Page 6) Implementing a law that would put the disabled, mentally ill, pregnant women, and children at risk of losing their MO HealthNet coverage is unconscionable.

Fourth, the fiscal analysis noted, “This proposal may have a significant negative fiscal impact on small business health care providers if the State of Missouri loses federal funding used to provide

services to MO HealthNet recipients through these health care providers.” (Page 14) Losing the \$7.2 billion in federal dollars would also hurt our medical care providers.

We consider House Bill No. 126 as an unconstitutional piece of legislation based on its substance. In addition, Oversight was not provided an adequate amount of time to prepare the fiscal analysis and many uncertainties exist in regard to the fiscal impact House Bill No. 126 will have on our state budget. In closing, thank you for your consideration of this important matter affecting Missouri citizens.

Sincerely,



Judy Morgan
Missouri State Representative
District 24



Ingrid Burnett
Missouri State Representative
District 19



Donna M.C. Baringer
Missouri State Representative
District 82

Sarah Nesbitt, Washington University graduate and 240 graduates of Missouri institutions of higher education provided the following information:

Nicole Galloway
Missouri State Auditor
State Auditor's Office, P.O. Box 869
Jefferson City, MO 65102

Dear Auditor Galloway,

As students and alumni of Missouri institutions of higher education, we write to voice our concerns about the harm the implementation of HB 126 would have on the state of Missouri. We write together, as both alumni and current students, deeply concerned about the future of our educational institutions and their ability to thrive should HB 126 go into effect. As you make your assessment of the financial risk posed to our state by this law, we encourage you to note the significant financial consequences of our objection.

None of us would choose to attend college in a state that effectively bans abortion, as this violates both our own autonomy and that of our peers. None of us would choose to further our education in an atmosphere that threatens to criminalize professionals who perform abortion, because we trust our peers who study medicine and our neighbors who practice it. They strive to provide scientifically accurate information and patient-centered care, and we oppose any effort to eclipse those standards.

If Missouri's voters fail to repeal HB 126, we will be forced to withhold support of both state and private educational institutions who have been complicit – including through silence – in its implementation. We encourage you, as Missouri's Auditor, to view each of the undersigned as a potential economic loss to Missouri. In tuition dollars alone, each of us represents tens of thousands of dollars in revenue for Missouri educational institutions annually, and the impact of the loss of our talents, our innovation, and our drive is immeasurable. Even beyond the loss of tuition dollars, taxes, and legal expenses, this measure could cost the state all of its Medicaid funding, \$7.2B that provides lifesaving care to Missourians in need.

Preventing Missourians from accessing abortion after eight weeks, before some of them even know they are pregnant, is unconstitutional, dangerous, and a violation of Missourians' individual freedoms; this kind of bar on access to reproductive healthcare only hurts the communities that many of us hold dear. Given the state coffers devoted to defending this unconstitutional measure, and given the number of students that will be deterred from coming to, staying in, or returning to Missouri, the financial consequences of implementing HB 126 are both tangible and substantial. We know the human cost will be far greater.

We believe that with smart policies that leave healthcare decisions to professionals and their patients, Missouri can thrive; HB 126 is just the opposite.

We call on the auditor to understand the potential cost the loss of Missouri's students will have on Missouri, and we call on our universities to echo our concerns by submitting their own fiscal analysis of referendum 2020-2001 to the auditor by Friday, June 7th.

Sincerely,

Sarah Nesbitt
Washington University in St. Louis
Class of 2017

And the Undersigned 240 graduates of more than ten different Missouri institutions of higher education:

Elaine Emmerich	Washington University in St. Louis	Class of 2017
Julia Curbura	Washington University in St. Louis	Class of 2017
Chloe Ames	Washington University in St. Louis	Class of 2017
Nicholas Okafor	Washington University of St. Louis	Class of 2016
Madeline Stewart	Washington University in St. Louis	Class of 2018
Lemoine Joseph	Washington University in St. Louis	Class of 2016
Carly Herbert	Washington University in St. Louis	Class of 2017
Savannah rush	Washington university in st louis	Class of 2018
Katelyn Moeder	Washington University in St. Louis	Class of 2017
Fatima	Washington University in St. Louis	Class of 2020
Cameron Kinker	Washington University in St. Louis	Class of 2016
Brianna McCain	Washington University in St. Louis	Class of 2016
David Graham	Washington University in St. Louis	Class of 2018
Talia Weseley	Washington University in St. Louis	Class of 2019
Julie Merrell	Washington University in St. Louis	Class of 2018
Claire Thomas	Washington University in St. Louis	Class of 2018
Jessica Klugman	Washington University	Class of 2017
Mary Prothero	Washington University in St. Louis	Class of 2015
Charles Bosco	Washington University in St. Louis	Class of 2021
Sarah Felts	Truman State University & University of Missouri School of Law	Class of 2009 & Class of 2012
Elayna Levin	Washington University in St. Louis	Class of 2017
Ishaan Shah	Washington University in St. Louis	Class of 2020
Natalie Johnson	Washington University in St. Louis	Class of 2017
Bonnie Simonoff	Washington University in St. Louis	Class of 2019
Jonah Klein-Barton	Washington University in St. Louis	Class of 2018

Emily Brown	Washington University in St Louis	Class of 2016
Pia Marcus	Washington University in St Louis	Class of 2013
Julia Kaplan	Washington university in St. Louis	Class of 2012
Maya Mashkovich	Washington University in St. Louis	Class of 2018
Daniela Pedraza	Saint Louis University	Class of 2017
Valerie Hirschberg	Washington University In St. Louis / Harvard University	Class of 2018 and 2020
Brooke Nosratian	Washington University in St. Louis	Class of 2018
Ryan Paige	Washington University in St. Louis	Class of 2017
John Drollinger	Washington University in St. Louis	Class of 2012
Kirk Brown	Washington University in St. Louis	Class of 2020
Michael Gjelsten	Washington University in St. Louis	Class of 2017
Sarah Martin	Washington university in St. Louis	December 2019
Emilia Epstein	Washington University in St. Louis	Class of 2018
Rebecca Naegele	Washington University in St. Louis	Class of 2012
Nathaniel Thomas	Washington University in St. Louis	Class of 2017
Sophie Abo	Washington university in St. Louis	Class of 2019
Mary Ellis	Washington University in St. Louis	Class of 2019
Rachel Bridge	Washington University in St. Louis	Class of 2015
Laken Sylvander	Washington University in St. Louis	Class of 2017
Jessmehar Walia	Washington University in St. Louis	Class of 2017
Anna Poger	Washington University	Class of 1993
Linda Gilbreath	Washington University in St Louis	Class of 2018
Jennifer Box	University of Missouri	Class of 2004
Lisa Beal	Stephens College	Class of 2010
Elyse Max	University of Missouri- Kansas City	Class of 2006
Lauren Hucko	Washington University in St. Louis	Class of 2020
Ashley Kuykendall	Truman State University & Brown School of Social Work at Washington University	Class of 2016, Class of 2019
Carla Max	University of Missouri Columbia	Class of 1971
Archna Calfee MD	Washington University in St Louis	Class of 2001
Sara Goellner	Washington University in St Louis	Class of 1999
Matt Mitchell	University of Missouri Kansas City	Class of 2010
Elisabeth Condon	Truman State University	Class of 2018

Keaton Wetzel	Washington University in St. Louis	Class of 2015
Carlos Sedillo	Truman State University	Class of 2018
Julia Widmann	Washington University in St. Louis	Class of 2018
Marissa Rosen	Washington University in St. Louis	Class of 1998, Class of 2000
Elizabeth K Small	University of Missouri Kansas City	Class of 1978
Amy Soper	Washington University in St. Louis	Class of 2019
Paula Gerber	Washington University School of Medicine	Class of 2001
Nathan Greenberg	Washington University in St. Louis	Class of 2017
Callie Schneider	Washington University in St. Louis	Class of 2016
Sarah Hilderbrand	University of Missouri	Class of 2010
Jaydee Lee	Washington University in St. Louis	Class of 2017
Jacqueline Oestreicher	Washington University in St. Louis	Class of 2018
Martin Elliott	Washington University in St. Louis	Class of 2016
Blake Buthod	Truman State University	Class of 2018
Kari L Chesney	University of Missouri	Class of 2020
Jeremy Shapiro	Washington University in St. Louis	Class of 2019
Carter Paterson	Washington University in St. Louis	Class of 2019
Josh Halilej	Washington's university in St. Louis	Class of 2019
Pranav nandan	Washington University in St. Louis	Class of 2019
Jack Seigel	Brown School of Social Work	Class of 2020
Norah Rast	Washington University in St. Louis	Class of 2017
Yaala Muller	Washington University in St. Louis	Class of 2017
Valorie Engholm	University of Missouri- Kansas City	Class of 2016
Erica Brandling-Bennett	Washington University in St. Louis	PhD Class of 2006
Katie Greenberg	Washington University In St. Louis	Class of 2017
Caroline Racine Belkoura	Washington university in st louis	Class of 2005
Kara Hom	Washington University in St. Louis	Class of 2019
Fiona Sloan	Washington University in St. Louis	Class of 2013
Sathya Sridharan	Washington University in St. Louis	Class of 2009
Shivani Desai	Washington University in St. Louis	Class of 2017
Ella Sudit	Washington University in St. Louis	Class of 2019
Nancy Goth	MIZZOU	Class of Dec. 1975

Celeste Bleiberg	Washington university in St. Louis	Class of 2019
Sara Baker	Washington University in Saint Louis	Class of 2012
Kendall Martinez-Wright	Lincoln University of Missouri	Class of 2020
Delaney Catlettstout	University of Missouri	Class of 2021
Luke Davis	University of Missouri - Columbia	Class of 2020
Mark Matousek	Washington University in St Louis	Class of 2016
Sofia Sanchez	Crowder College	Class of 2016
Olivia Hunt	University of Missouri Columbia	Class of 2020
Elizabeth Clark	Missouri Western university	Class of 2023
Andrea Waner	University of Missouri	Class of 2011 and 2020
Olliver Wilson	Ozarks Technical Community College	Class of 2021
Cort Gamblin	West Plains Senior High	Class of 2012
Jianan Almusawi	Missouri State University	Class of 2022
Victoria altic	Ozarks Technical Community College	Class of 2023
Maggie Morris-Owens	Missouri State University	Class of 2018
Ann Tilley	Washington University	MD class of 2001
Elizabeth Fuchs	University of Missouri St. Louis	Class of 2013
Katherine Weltha	Missouri Southern State University	Class of 2017
Maria Ruiz	Washington University in St. Louis	Class of 2017
Kathleen Fisher	Missouri State University	post graduate courses
Steph Perkins	Missouri State University	Class of 2008
Patricia	Tracy	Class of 1988
Neveen Ayesh	Southern Illinois university of Edwardsville	Class of 2020
Brian Connor	University of Missouri - Columbia	Class of 2004
Jennifer Suits	St. Louis U, Parkway South, Maryville University, Washinton U.	1982 HS Diploma, 1987 BA, 1990 JD, 2001 LLM
Samuel Schnabel	Washington University in St. Louis	Class of 2016
Cynthia Alimp	Vatterott College	Class of 2008
Sarah Pritchard	Washington University in St. Louis	Class of 2016
Machelle Warren	Missouri University of Science and Technology	Class of 2019
Carlissa Gilliam	University of Missouri, Missouri State University	Class of 1990, 2003
Lyra Noce	University of Missouri, Columbia	Class of 2006
Craig Gilliam	Missouri State University	Class of 1994

Ronald Gregush	Washington University in St. Louis School of Medicine	Class of 2001
Maanasa Bandla	Washington University in St. Louis	Class of 2019
Nick Annin	Washington University in St. Louis	Class of 2017
Dana Sandweiss	St Louis University School of Law	Class of 1999
Lauren Averill	Washington University	Class of 2001
Emily Gallop Coen	Emily Gallop Coen	Class of 1996
Carolyn Petite	Washington University in St. Louis	1989 (BA) 1995 (JD)
Lucy Chin	Washington University in St. Louis	Class of 2017
Ruth Downs	Washington University In St. Louis , Brown School of Social Work	Class of 2007
Emily Gaumnitz	Washington University in St. Louis	Class of 2017
Michael Collins	Washington University in St. Louis	Class of 2018
Alex Le	Washington University in St. Louis	Class of 2021
Sophia Keskey	Washington University in St. Louis	Class of 2016
Jacob Noel	Washington University in St. Louis	Class of 2019
Sarah Turecamo	Washington University in St. Louis	Class of 2017
Jessie Kurz	Washington University in St. Louis	Class of 2018
Felice Segall	Washington University in St. Louis	Class of 2017
Paul Moiseyev	Washington University in St. Louis	Class of 2017
Ann Gocke	Washington University in St. Louis	Class of 2017
Samantha Katz	Washington University in St. Louis	Class of 2017
Ruvinee Senadheera	Washington University in St. Louis	Class of 2017
Haley Baker	Washington University in St. Louis	Class of 2016
Rachel Partridge	Washington University in St. Louis	Class of 2017
Samantha Breen	Washington University in St. Louis	Class of 2017
Daniel Meyerson	Washington University in St. Louis	Class of 2017
Claire Savage	Washington University in St. Louis	Class of 2017
Esther Cohen	University of Missouri - Columbia	Class of 1999
Satvik Reddy	Washington University In St Louis	Class of 2021
Gladys Pilz	Washington University in St Louis	Class of 1969
Maya Liran	Washington University in St. Louis	Class of 2015
Corey Salzer	Washington University In St. Louis	Class of 2017
Alexandra Barrett	Washington University in St. Louis	Class of 2017

Kira Saks	Washington University in St. Louis	Class of 2017
Lauren Peffley	Washington University in St. Louis - Brown School of Social Work	Class of 2015
Holly Gulick	Missouri Southern State University	Class of 2018
Zach Kassman	Washington University in St. Louis	Class of 2020
Monica Sass	Washington University in St. Louis	Class of 2019
Hena Vadher	Washington University in St. Louis	Class of 2017
Sam Shonfeld	Washington University in St. Louis	Class of 2021
William Sieling	Washington University in Saint Louis	Class of 2016
Meghna Padmanabhan	Washington University in St. Louis	Class of 2021
Shelby Dickison	University of Missouri	BS Class of 2004/MD Class of 2011
Jonathan Hirshberg	University of Missouri Columbia School of Medicine	Class of 2014
Shayna Conner, MD, MSCI	University of Missouri-Columbia	Class of 2008
Mary Keegan	University of Missouri Columbia School of Medicine	Class of 2010
Helen Fox	Washington University in St. Louis	Class of 2019
Alison Leslie	Washington University in St. Louis	Class of 2017
Meryl Sundy	University of Missouri	Class of 2014
Bianca Jyotishi	Washington University in St. Louis	Class of 2019
Libby Trammell	Washington University in St. Louis	Class of 2019
Anna Bartels-Newton	Washington University in St. Louis, George Warren Brown School of Social Work	Class of 2020
Sally Rifkin	Washington University in St. Louis	Class of 2018
Sheree Hickman	Washington University in St. Louis, Brown School	Class of 2019
Ben Feigenbaum	Washington University in St. Louis	Class of 2019
Kristen Beatty	Washington University in St. Louis	Class of 2019
Claudia Noto	Washington University in St. Louis	Class of 2018
Georgia Bartels-Newton	Washington University in St. Louis	Class of 2021
Melanie Marcille	Washington University in St. Louis	Class of 2018
Zachary Romo	Washington University in St. Louis	Class of 2014
Stacey Bayer	The Brown School of Social Work at Washington University	Class of 2020
Katherine Chew	Washington University in St. Louis	Class of 2017, class of 2019

Elizabeth Schmidt	Washington University in St. Louis	Class of 2015/2019
Purti Pareek	Washington University School of Law	Class of 2019
Dormie Ko	Washington University in St. Louis	Class of 2019
Melanie Cohen	Washington University in St. Louis	Class of 2017
Eric Freeman	Washington University in St. Louis	Class of 2019
Maya Sorini	Washington U in St. Louis	Class of 2018
Marissa Bohrer	Washington University in St. Louis	A.B., Class of 2014; MSW, Class of 2019
Mindy Resnick	University of Missouri- Columbia	Class of 2004
Swetha Nakshatri	Washington University in St. Louis	Class of 2020
Logan Phillips	Washington University in St. Louis	Class of 2021
Reuben Hogan	Washington University of Saint Louis	Class of 2018
Amar Karahodzic	Washington University in St. Louis	Class of 2019
Anne brown	University of Missouri-St. Louis	Class of 2021
Sarah Yapo	Washington University in St. Louis	Class of 2019
Kayce Sorbello	Washington University in St. Louis	Class of 2019
Landon Krantz	University of Missouri—Columbia	Class of 2014
Tony Bell	University of Missouri	Class of 2016
Shamilka Seneviratne	Washington University in St. Louis	Class of 2019
Anand Chukka	Washington University in St. Louis	Class of 2019
Jack Radley	Washington University in St. Louis	Class of 2019
Tess Hankin	Washington University in St. Louis	Class of 2020
Samantha Elster	Washington University in St. Louis	Class of 2020
Matthew	Grossman	Class of 2020
Sabrina Tannehill	Washington University in St Louis	Class of 2019
Natalia Molinatti	Washington University in St. Louis	Class of 2019
Chace	Conroy	Class of 2016
Kriti Prasad	Washington University in St. Louis	Class of 2017
Isabelle Adams	Washington University in St. Louis	Class of 2016
Maggie Harr	Maggie Harr	Class of 2000
Sydney Woods	Washington University in St. Louis	Class of 2018
Alexander Berezin	Washington University in St. Louis	Class of 2018
Ryan Welish	Washington University in St Louis	Class of 2019

Jenny Tallerling	Washington University in St. Louis	Class of 2020
Hanna Colin	Washington University in St. Louis	Class of 2014
Katelyn Taira	Washington University in St. Louis	Class of 2018
Haley Eagle	Washington University in St. Louis	Class of 2019
Amanda Drath	Washington University in St. Louis	Class of 2019
Anne Coulomb	Washington University in St. Louis	Class of 2019
Theanne Liu	Washington University in St. Louis	JD/MSW Class of 2020
Morgen Seim	Washington University School of Law in St Louis	Class of 2021
Meredith Davis	Washington University in St . Louis	Class of 2017
Elisabeth Marsh	Catholic University of America	Class of 2008
Roxy Ackerman	Washington University in St. Louis	Class of 2020
Monika Pawar	Washington University in St. Louis	Class of 2016
Sophie Revere	Washington University in St. Louis	Class of 2015
Talia Weine	Washington University in St. Louis	Class of 2021
Emily Gleason	Washington University in St. Louis	Class of 2019
Jacob Maddox	Washington University of St. Louis	Class of 2018
Schuylar Atkins	Washington University in St. Louis	Class of 2016
Allyson Richman	Washington University a School of Law	Class of 2021
Madeleine Seibold	Washington University in St. Louis	Class of 2019
Mark Buhrmester	University of Missouri - Columbia	Class of 2008
Lara Rix	Washington University in St. Louis	Class of 2021
Nicole Lynch	Missouri State University	Class of 2016
Ashna Vasa	Washington University in St. Louis	Class of 2018
Nathan Hopkins	University of Missouri	Class of 2011
Jessica Dyer	Washington University in St. Louis	Class of 2006
Hannah Lacava	Washington University in St. Louis	Class of 2017

Mark R. Reading and Bret Fischer provided the following information:

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STATE AUDITORS OFFICE

Submitted by:



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Primary Contact Person

Referendum Petition 2020-R001

Relating to HB 126 related to abortion passed by Missouri General Assembly in 2019 session
The materials are being submitted in support of qualification of the measure, but in opposition to
passage.

Proposed Statement of Fiscal Impact

Fiscal Impact Information Submitted Pursuant to Section 116.175, RSMo.

The proposed legislation will result in an estimated loss of \$6.16 billion in state and local revenue, including \$5.2 million lost in state general revenue, \$596,695 lost in state dedicated funds, \$4 million lost in local funds, and \$6.16 billion lost in federal funds.

ESTIMATED NET EFFECT ON STATE FUNDS		
Fund Affected	FY 2021	FY 2022
General Revenue	(\$3,811,195)	(\$5,211,195)
Other State Dedicated Funds	(\$596,695)	(\$596,695)
Total Estimated Net Effect on All State Funds	(\$4,407,890)	(\$5,807,890)

ESTIMATED NET EFFECT ON LOCAL FUNDS		
Local Funds	FY 2021	FY 2022
Local Funds	(\$4,020,542)	(\$4,020,542)
Total Estimated Net Effect on All Local Funds	(\$4,020,542)	(\$4,020,542)

ESTIMATED NET EFFECT ON FEDERAL FUNDS		
Federal Funds	FY 2021	FY 2022
Federal Funds	(\$6,152,760,664)	(\$6,152,760,664)
Total Estimated Net Effect on Federal Funds	(\$6,152,760,664)	(\$6,152,760,664)

Total All Funds	FY 2021	FY 2022
Total All Funds	(\$6,161,189,096)	(\$6,162,589,086)

Introduction

HB 126 passed by the General Assembly and signed by Governor Parson makes a variety of changes to the state's laws on abortion, pregnancy resource centers, parental notification, and state regulations. These provisions have a dramatic impact on women's human rights, privacy rights, reproductive rights, and women's health.

The fiscal note prepared by the General Assembly's Oversight Division was prepared in haste and did not allow it to provide for thoughtful analysis and fiscal estimates by state agencies and the other entities that the division normally reaches out to for comment. The Oversight Division's fiscal note, in an exceptionally unusual preface to its work, states:

“Due to time constraints of less than 1 hour, Oversight was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.” (emphasis added)

As of June 7, 2019, the Division continues to show the hurried fiscal note as its current estimate, so it appears unlikely that the Division will update this fiscal note. This fiscal submission will go into detail on a variety of topics not addressed by the Oversight Division. Table 1 provides a list of the areas that may result in an economic impact to the state. It shows the local and state taxes that would be affected by changes in economic activity related to the legislation. The table also includes a list of the agencies of state and local government that could need additional resources due to making illegal an activity that was previously legal. Most of these items have already been identified in the press as issues as the result of the recently passed abortion legislation passed in Missouri, Alabama, and Georgia. Many have also been identified during the travails faced by Indiana and North Carolina when their legislatures passed controversial bills on social issues.

The analysis will focus on the top issues on the list given the short deadline required by the Auditor's office for submission of fiscal note analysis. The possible issues have been identified by reviewing press coverage of recent controversial legislation over the past few years and cover a wide range of different topics.

Table 1 - Abortion - Possible Areas of Lost Economic Activity

Type of activity	Local			Local surtaxes or fees				State			
	Income Tax (St. Louis/KC earnings tax)	Sales Tax	Hotels	Auto rentals	Convention center	Other tourism taxes	Income tax	Sales Tax	Corporate Tax	Athletes & Entertainers	
Loss of Medicaid as indicated in fiscal note for HB 126	X	X					X	X	X		
Loss of expansions of companies – Marquee expansions such as being considered by General Motors in Wentzville	X	X					X	X	X		
Loss of arts and entertainers - i.e. concerts, plays, film productions, etc.		X	X	X	X	X				X	
Loss of sports events – NCAA and other amateur events – example NCAA (North Carolina), St. Louis NCAA men's basketball regional (2020), U.S. Women's Team Soccer in St. Louis (2019)		X	X	X	X	X				X	
Loss of conventions	X	X	X	X	X	X	X	X	X		
General reduction in tourism	X	X	X	X	X	X	X	X	X		
Boycott of Missouri businesses - Enterprise Rent-A-Car, Edward D. Jones, Anheuser Busch, Monsanto, Panera Bread, Purina, etc.	X	X					X	X	X		
Boycott of Missouri businesses by pension systems in other states	X	X					X	X	X		
Boycott of state and local bond issues resulting in higher interest rates paid											
Business loss to major Research Medical Centers - BJC, Stowers Center, etc.	X	X					X	X	X		
Other states boycotting state employee travel to Missouri	X	X	X	X	X	X		X			
Loss of current companies – examples are Indiana (LGBT) and NC (bathrooms)	X	X					X	X	X		

Abortion - Possible Areas of Lost Economic Activity (continued)

Table 2 - Summary of Estimated Effect of HB 126

Page #	Table #	Type of activity	FY 2021	FY 2022
9-10	Table 3	Loss of Medicaid as indicated in fiscal note for HB 126	(\$6,152,760,664)	(\$6,152,760,664)
8		Loss of Marquee expansions of companies such as General Motors expansion at Wentzville	TBD	TBD
10-11	Table 4	Loss of arts and entertainers - i.e. concerts, plays, film productions, etc.	(\$4,480,500) including (\$2,349,900) General Revenue and (\$2,130,600) local funds	(\$4,480,500) including (\$2,349,900) General Revenue and (\$2,130,600) local funds
11		Pregnancy Resource Center Tax Credit	\$0	(\$1,400,000) and will grow to (\$4,900,000) or more in FY 2026
12-13	Tables 5 and 6	Loss of sports events – NCAA and other amateur events – example NCAA (North Carolina), St. Louis NCAA men's basketball regional (2020), U.S. Women's Team Soccer in St. Louis (2019)	(\$3,947,932) including (\$1,461,295) General Revenue and (\$596,696) in state dedicated sales taxes and (\$1,889,942) local funds	(\$3,947,932) including (\$1,461,295) General Revenue and (\$596,696) in state dedicated sales taxes and (\$1,889,942) local funds
		Loss of conventions	TBD	TBD
		General reduction in tourism	TBD	TBD
		Boycott of Missouri businesses - Enterprise Rent-A-Car, Edward D. Jones, Anheuser Busch, Monsanto, Panera Bread, Purina, etc.	TBD	TBD
		Boycott of Missouri businesses by pension systems in other states	TBD	TBD
		Boycott of state and local bond issues resulting in higher interest rates paid	TBD	TBD
		Business loss to major Research Medical Centers - BJC, Stowers Center, etc.	TBD	TBD
		Other states boycotting state employee travel to Missouri	TBD	TBD
		Loss of current companies – examples are Indiana (LGBT) and NC (bathrooms)	TBD	TBD
		Donors to universities – Alabama example (loss of grants/students/etc.)	TBD	TBD

	Higher Education - withdrawal of students or decrease in attendance	TBD	TBD
	Total loss of funds	(\$6,161,189,096)	(\$6,162,589,096)
	GR	(\$3,811,195)	(\$5,211,195)
	Other state funds	(\$596,695)	(\$596,695)
	Local funds	(\$4,020,542)	(\$4,020,542)
	Federal Funds	(\$6,152,760,664)	(\$6,152,760,664)
	Budget increases		
	<u>Local agencies</u>		
	Local Prosecutors	TBD	TBD
	Local law enforcement	TBD	TBD
	subtotal	TBD	TBD
	<u>State agencies</u>		
	Public Defender	TBD	TBD
	Judiciary	TBD	TBD
	Corrections	TBD	TBD
	Attorney General	TBD	TBD
	subtotal	TBD	TBD
	Total	TBD	TBD

Overview of Reasons to Consider Various Issues as part of Abortion Fiscal Analysis

Medicaid summary

Most important, the Legislative Oversight Division failed to include in its summary page the largest cost item related to the bill – the loss of federal Medicaid funds. This issue is referenced in the text of the fiscal note but not included in the summary which in effect helped its passage by keeping the state cost down.

Medicaid is the single largest program in the entire state budget, consisting of approximately \$11.2 billion in the FY-2020 budget, spread principally among three state departments. That amount includes approximately \$6.2 billion federal funds. Any legitimate, responsible fiscal note should properly reflect the full cost of the legislation up to the amount possible under current state and federal laws. The Department of Social Services indicates that HB 126 violates the Hyde amendment in federal law with total loss of federal funds possible as a result.

Losing a portion or all of the federal funds would significantly and negatively impact Missourians. Medicaid funding provides a core funding component for hospitals, nursing homes, mental health facilities, prescription drugs and other services relied upon by nearly one million Missourians. Without such funding the state would have to pass a large tax increase to replace the lost federal funds to pay for the services or radically reduce the services available. Hospitals and nursing homes would be dramatically affected by loss of the federal funds, with some closing their doors. Health outcomes for the state's population would worsen. The loss of \$6.2 billion in federal funds would result in the loss of employment and services that would multiply many times over in the loss of income, sales, and corporate tax revenues.

Boycott history summary

The Oversight Division also does not evaluate the possible impact of boycotts and other social pressure that would reduce economic activity and state revenue. Hard wedge social issues have a history of creating negative economic impact in states that pass related legislation. The two best examples are Indiana (2015) and North Carolina (2016), which faced serious boycotts and blowback after passing such legislation. Despite the very recent history of the well-documented threats and actual economic harm, the Oversight Division does not even mention or consider the possibility that HB 126 might have similar consequences. This despite the growing list of corporations, organizations, and people speaking out about the problems with recent abortion legislation passed in Missouri, Alabama, and Georgia. This also despite the fact that protests on race, workplace benefits, and campus leadership at the University of Missouri (2015)ⁱ led to significant student loss, reduced donations, loss of economic activity in Columbia, etc. Each of these examples shows that turmoil leads to economic loss and should be considered in an economic analysis.

Indiana passed a Religious Freedom Restoration Actⁱⁱ in 2015. Indiana was forced to repeal and make significant changes because of the immediate economic threats levied through protests and by corporations and organizations against the state. Nine CEOs called for legislation to protect against discrimination, including Salesforce marketing, Anthem, Angie's List, Eli Lilly and Company, and Roche Diagnostics. The NBA, WBNA, and their Indiana-based teams did the same. U.S. Track and Field expressed deep concern. Angie's List threatened to cancel a \$40 million expansion to its Indianapolis based headquarters. Salesforce announced it would cancel all programs that required customers or employees to travel to Indiana. Many other companies, politicians, and organizations raised their voices against the bill. In the face of this pressure, Indiana relented and passed changes to forestall major economic loss to the state.

North Carolina passed a Public Facilities Privacy and Security Actⁱⁱⁱ in 2016. The Wikipedia article footnoted indicates that North Carolina's economy lost over \$400 million in investment and jobs. However, reporting at the time by the Associated Press indicated a cost of \$3.8 billion^{iv} including over 2,900 jobs by companies that cancelled projects - PayPal 400 job project, Deutsche Bank 250 job project, Adidas 160 job shoe factory, Voxpro hundreds of customer support workers, and CoStar 700 jobs. In addition, in 2016 the NCAA stripped the state of seven events including the men's championship

basketball event and indicated it would not receive any additional events through at least 2022 unless the bill was repealed. The Atlantic Coast Conference also moved events to neutral sites outside of North Carolina. The NBA also moved its All-Star game out of the state to New Orleans.

Despite these examples, the Oversight Division did not mention this possibility in the fiscal note. In each of the examples a sizable number of businesses staked out a position and many consumers have expected them to take such a position. Some possible boycotts on Missouri have already been reported^v including companies such as Anheuser Busch, Enterprise Rent-A-Car, Panera Bread, Edward Jones, and Purina pet food. As litigation proceeds on HB 126, the calls and list of boycott suggestions will likely increase.

Marquee business expansions

As noted above, Indiana and North Carolina were faced with losing major business expansions as a result of passing controversial legislation. A major focus of the past legislative session was passing legislation to provide tax credits for General Motors for expansion at the Wentzville auto plant. General Motors will have to decide whether HB 126 is important to its expansion plans or factors into its equation when considering other suitors. However, the General Motors vision^{vi} includes Driving Social Impact and Diversity which are commitments to finding women and minorities for employment and investing in women for leadership positions. HB 126 would seem to make it more difficult for GM to recruit women for Missouri jobs at all levels. The possible GM expansion is an example of the type of expansions that North Carolina lost. This fiscal note does not include any estimate for business expansion loss at this time because the bill just passed and no known business has announced concerns at this point.

Polls summary

The effectiveness of boycotts or other economic action is dependent upon the public's opinion about the issue. Overwhelming public opposition to the Indiana and North Carolina laws led to repeal of the legislation.

Polling on the issue of abortion and women's rights is also strong. Four recent polls by Gallup, Morning Consult, CBS News, HuffPost/YouGov show that most Americans do not support the abortion bills passed by Missouri, Alabama, Georgia, and Ohio.

- <https://news.gallup.com/opinion/gallup/257627/alabama-bill-odds-public-consensus-abortion.aspx>
- <https://www.cbsnews.com/news/majority-of-americans-dont-want-roe-v-wade-overturned-cbs-news-poll-finds/>
- <https://morningconsult.com/2019/05/22/most-voters-oppose-abortion-laws-enacted-alabama-georgia/>
- https://www.huffpost.com/entry/alabama-abortion-law-poll_n_5cdee283e4b00e035b8f7452
- <https://www.vox.com/2019/5/22/18635563/poll-alabama-abortion-ban-law-democrats-republicans-2020>

CBS News

- 67% want Roe v. Wade left in place, including 69% of women and 65% of men.
- Twice as many people would be angry about Roe v. Wade being overturned than happy or satisfied.
- While views divide along partisan lines, Republicans are split on overturning Roe v. Wade, with 45% saying keep it as is and 48% preferring its overturn.

Gallup

- 83% in support of abortion if woman's life endangered.
- 77% in support of abortion if the result of rape or incest.

HuffPost/YouGov

- 57% disapprove of Alabama's law compared to 31% support.
- 50% approve of legal abortion in all or most cases compared to 37% that want abortion illegal in all or most cases.

Morning Consult

- 56% disapprove of states passing laws like those in Alabama and Georgia - similar to HuffPost/YouGov poll.
- 45% of Republicans think abortion should be legal in cases of rape, incest, or when a mother's life is in danger – similar to CBS News poll.

Loss of federal Medicaid funding

The largest possible impact on the Missouri economy as a result of the passage of HB 126 is the possible complete loss of federal funds for the state Medicaid program. The final fiscal note for HB 126 filed by the legislature's Oversight Division indicates that the state Department of Social Services reported that full funding for the Medicaid program could be lost under current federal law. The Oversight Division's fiscal note cover page summary indicates that the state loss could be more than \$4.9 million as a result of passage. That is a substantial understatement of the amount of the loss which is further explained in the fiscal note's text. The \$4.9 million Oversight Division fiscal note basically only reflects the cost of the pregnancy resource center tax credit and completely ignores the possible Medicaid funding loss. Medicaid is the single largest program in the entire state budget, consisting of approximately \$11.2 billion in the FY-2020 budget spread principally among three state departments. That amount includes approximately \$6.2 billion federal funds. Any legitimate, responsible fiscal note must properly reflect the full cost of the legislation up to the amount possible under current state and federal laws.

Federal law known as the Hyde Amendment (a "rider" to the Congressional appropriations bill for the Department of Health and Human Services renewed each year since 1981) restricts the ability of states to use federal funds to pay for abortions for Medicaid recipients except in remarkably narrow instances—where the pregnancy resulted from rape or incest and when necessary to save the life of the mother. The Missouri Department of Social Services has paid for abortions in such cases previously, using federal Medicaid funding pursuant to provisions of the Hyde Amendment. HB 126 prohibits abortions in Missouri in cases of rape or incest at eight weeks gestational age or later. Thus, it clearly violates provisions of federal law under the Hyde Amendment. That violation jeopardizes all federal Medicaid funding received by Missouri (\$6.2 billion).

Losing a portion or all of the federal Medicaid funds would significantly and negatively impact Missourians, nearly one million of whom rely on the program for critical health care services. Medicaid funding provides a core funding component for hospitals, nursing homes, and mental health facilities. It is also a core component of funding prescriptions and other services. Without such funding the state would have to pass a large tax increase to replace the lost federal funds to pay for the services or radically reduce the services available. Without the federal funds hospitals and nursing homes would be dramatically affected, with some closing their doors. Health outcomes for Missourians would worsen.

The loss of all Medicaid funding would decimate the Missouri economy and health care for Missouri citizens. In addition to the loss of \$6.2 billion in federal funds, the loss of employment and services would multiply many times over in the loss of income, sales, and corporate taxes. For the purposes of this fiscal note, we are including only the loss of federal funds in our estimate (not the massive multiplier effects).

It is critical to understand the human cost involved in such an ill-conceived measure as HB 126—and in particular, the impact on women's health. As the Missouri Foundation for Health stated regarding HB 126, "This law is just the latest action that flies in the face of a preponderance of evidence, conflicts with widespread consensus among health professionals, and will, in fact, be harmful, not helpful to women's health overall."

An evidence-based, scientific approach to women's health has led to great improvements in the health of women in states that have adopted such measures. However, when governments employ heavy-handed schemes like HB 126 to limit women's access to reproductive health services, women's health suffers (maternal mortality rates rise, cases of HIV increase, etc.). This is particularly problematic for Missouri because the health of Missouri women already significantly lags women's health nationally. The Missouri Foundation for Health reports that Missouri ranked 50th in 2018 in health outcomes for women, down from 43rd in 2016; and that in 2018, Missouri ranked 42nd in maternal mortality with a mortality rate of 32.6 per 100,000 (up 14 percent since 2016) compared to a national average of 20.2. So already poor health outcomes for Missouri women are getting worse. Tragically, Missouri's response was to pass a measure that will further restrict women's access to reproductive health services and thereby accelerate the decline in women's health.

Table 3 is an excerpt of the Medicaid funding table included in the Governor's Executive Budget^{vii} (page 11-18) for FY 2020 showing the Governor recommended \$6.2 billion in federal funds for the program. The fiscal analysis reflects the loss of the full amount because it reflects current federal law^{viii}.

Table 3 - Medicaid Funding in State Budget

	FY 2019 Appropriation	FY 2020 Governor Recommended
General Revenue	\$2,073,734,533	\$2,390,252,752
Federal Funds	\$5,833,111,912	\$6,152,760,664
Other Funds	\$2,668,355,622	\$2,664,344,600
Total	\$10,575,202,067	\$11,207,358,016

Arts and Culture

Nonprofit arts and cultural organizations make their communities more desirable places to live and work. They also power the state's economy by creating jobs and driving consumer and business spending, which generates significant state and local government revenue.

An extensive 2015 nationwide economic impact analysis—Arts & Economic Prosperity 5: the Economic Impact of Nonprofit Arts & Cultural Organizations & Their Audiences by Americans for the Arts—evaluated this impact. The Missouri Arts Council commissioned a Missouri-specific version of this nationwide study. The study determined:

- The arts and culture industry in Missouri generated \$1.039 billion in total statewide economic activity in FY2015.
- That amount includes both \$602.9 million spent by organizations that employed people locally, bought goods and services from local businesses, and attracted tourists; and \$436.1 million in additional spending by audiences pumped revenue into restaurants, hotels, retail stores, parking garages, and other local businesses.
- The combined spending by organizations and audiences supported 31,925 full-time equivalent jobs, created \$805.6 million in household income for local residents, and delivered \$89.6 million in revenue to local (\$42.6 million) and state (\$47.0 million) governments.

According to the study, more than 21.4 million people attended arts and culture events produced by 491 Missouri organizations in FY2015. Generally speaking, the arts community has strongly supported progressive government policies and vigorously opposed draconian measures such as HB 126. High-profile actors, directors, musicians, etc., have made headlines opposing measures such as the North Carolina bathroom bill and the Indiana bill that sought to discriminate against the LGBT community. Therefore, it seems likely that at least some arts community personages will refuse to perform in Missouri in response to passage of HB 126. Similarly, it appears likely that many arts-minded attendees will opt to

avoid Missouri performances; instead traveling to other states with less repressive laws. Given the figures derived from the Missouri Arts Council study, even a small decrease in economic activity tied to the arts and cultural organizations would mean a significant blow to the Missouri economy. The table below calculates the loss in state and local tax revenue assuming a reduction in arts/culture economic activity of 1.0%, 2.5% and 5.0%. We recommend the 5.0% option for the following reasons:

1. It is important to note that the figures referenced above from the 2015 Missouri Arts Council study do not include the economic impact of for-profit arts and culture organizations. Therefore, spending by for-profit arts and entertainment organizations and venues, such as the Fox Theatre in St. Louis, is not included. Such economic activity is likely to be as big as or bigger than that of the nonprofit entities and was not included simply because no similar study of for profit arts/cultural economic impact in Missouri was available. Thus, the economic loss to the state and local governments would be substantially higher if the for-profit entities were taken into account.
2. The data from the FY2015 study has not been multiplied to account for inflation in the years since 2015, which tends to underestimate the impact of the potential loss to the state and local governments.

Table 4 - Reduction in Arts/Culture economic activity

		1.0% reduction	2.5% reduction	5.0% reduction
State tax revenue	\$46,998,000	\$469,980	\$1,174,950	\$2,349,900
Local tax revenue	\$42,612,000	\$426,120	\$1,065,300	\$2,130,600
Overall loss	\$89,610,000	\$896,100	\$2,240,250	\$4,480,500

Pregnancy Resource Center Tax Credit

Four significant changes related to the pregnancy resource center tax credit were created by HB 126.

- The definition of a pregnancy resource center is modified to include facilities that provide assistance to women and families with crisis pregnancies or unplanned pregnancies by offering services specified in the bill and services provided under the Missouri Alternatives to Abortion Services Program.
- The tax credit that may be claimed is increased from 50 percent of the amount contributed to 70 percent beginning in tax year 2021.
- The \$3.5 million cap on the amount of tax credits that may be claimed annually is removed in Fiscal Year 2022.
- The December 31, 2024 sunset provision on the program is eliminated.

While it is difficult to estimate the fiscal impact of the definitional change, it is clear that the remaining three provisions are likely to significantly increase state costs. Even if donations to pregnancy resource centers remain the same, the cost to the state for tax credits will increase markedly due to raising the credit from 50 to 70 percent of the amount contributed. That results in a \$1.4 million FY-22 cost to the state as reported by the Oversight Division in its fiscal note for HB 126.

Removing the cap on the amount of tax credits will result in much greater costs to the state. Those costs are effectively inestimable because there will be no limit on the amount of credits that can be claimed. The only check on the amount of credits will be the amount of eligible contributions made to pregnancy resource centers. Therefore, that cost is unknown but potentially highly significant.

Eliminating the sunset on the amount of tax credits will cost the state at least \$3.5 million annually beginning in FY-26 (also as reported by Oversight). Therefore, the total cost to the state will be \$4.9 million to unknown.

Sporting events and conventions

Missouri is in much the same situation as North Carolina was in 2016-2017 in terms of sporting events. There are eight NCAA events scheduled from 2019 to 2022. The NCAA stripped North Carolina of seven events. The NHL All-Star Game is scheduled in St. Louis. The NBA moved its All-Star game from North Carolina in response to passage of the Public Facilities Privacy and Security Act in 2016.

In addition, US Gymnastics will have its annual championship in Kansas City in 2019 and its Olympic Trials in 2020. Given the tremendous sadness associated with widely reported abuse suffered by the women's gymnastics team members, it would seem that there will be calls by athletes and others to boycott at least their portion of the event in hopes of having it moved elsewhere.

The events include:

Kansas City events

- 2019 U.S. Gymnastics Championships – August 8-11, 2019 - Sprint Center

St. Louis events

- 2020 NHL All-Star Game - January 24-26, 2020 - Enterprise Center
- 2020 Missouri Valley Conference Men's Basketball Tournament - March 5-8, 2020 - Enterprise Center
- 2020 NCAA Men's Basketball Championship First/Second Rounds - March 19 & 21, 2020 - Enterprise Center
- 2020 NCAA Division II Spring Festival - May 10-16, 2020 - Lindenwood University / Dwight Davis Memorial Tennis Center
- 2020 NCAA Division III Men's & Women's Tennis Championships - May 18-23, 2020 - Dwight Davis Memorial Tennis Center
- 2020 U.S. Olympic Team Trials - Gymnastics - June 25-28, 2020 - Enterprise Center
- 2021 NCAA Division I Wrestling Championships - March 18-20, 2021 - Enterprise Center
- 2021 NCAA Division III Women's Volleyball Championship - November 18-20, 2021 - Washington University Field House
- 2022 NCAA Division II Wrestling Championships - March 11-12, 2022 - Chaifetz Arena
- 2022 NCAA Division II Women's Lacrosse Championship - May 20-22, 2022 - Harlen C. Hunter Stadium

The NCAA may not move all of its events to another location outside Missouri. Other sponsors will use their own criteria and judgement to determine whether to proceed with their events. However, data exists for the economic impact of one of the NCAA events to help put into perspective the loss of a single event. In 2020 St. Louis will host the NCAA Men's Basketball tournament first and second round games at the Enterprise Center. Multiple events on the above list are held at the Enterprise Center or at venues of a similar size.

Table 5 shows the economic estimate as reported in the local press for seven of the eight venues that hosted the same men's basketball rounds in 2019. The number of seats shown is the basketball configuration seat number as reported in Wikipedia. The average economic impact per seat for the seven venues is \$443. That average economic impact would compute to \$9.7 million in economic activity in St. Louis for this event.

Table 5 - Estimated Economic Impact of 2020 NCAA Men's Basketball Tournament at Enterprise Center

City	Stadium/Arena	Seats	Economic Impact	Economic Impact per seat
Hartford, CT	XL Center	16,294	\$7,700,000	\$473
Salt Lake City, UT	Vivint Smart Home Arena	18,306	\$5,500,000	\$300
Des Moines, IA	Wells Fargo Arena	16,110	\$6,000,000	\$372
Jacksonville, FL	Jacksonville Veterans Memorial Arena	14,091	\$10,000,000	\$710
Tulsa, OK	BOK Center	17,839	\$9,000,000	\$505
Columbus, OH	Nationwide Arena	19,500	\$6,000,000	\$308
Columbia, SC	Colonial Life Arena	18,000	\$9,000,000	\$500
San Jose, CA	SAP Center	18,543	N/A	N/A
	Total without San Jose	120,140	\$53,200,000	\$443
St. Louis estimate	Enterprise Center	22,000	\$9,741,968	\$443

Table 6 estimates the state and local tax loss for a loss of a single sporting event the size of the NCAA Men's basketball Tournament games in St. Louis. Assuming the sales tax is applied to the entire economic activity, and not including a calculation for individual income taxes, the cancellation of a single event would cost the state \$411,598. In the past the Oversight Division has used a statewide local sales tax estimate of 3.88% for its fiscal notes, although the major event areas often are higher. This fiscal note assumes the 3.88% for a total loss of \$377,988 in local sales taxes.

This fiscal note assumes the loss of five events statewide the size of the 2020 basketball event. This assumption is made because no additional estimate of loss is included in the analysis for a general tourism decrease. Even a small reduction in the rate of growth of general tourism would be greater than the \$3.9 million state and local tax loss assumed. The 2018 Annual Report of the St. Louis Convention Center highlights^{ix} 19 of the roughly 100 conventions it reports each year. The total rooms booked for those conventions is 20,490 rooms booked. That is higher than the number of rooms booked reported in the cities that hosted the same round of basketball in 2019. In addition, the estimate does not include any estimate of local convention surtaxes or fees. The estimate is therefore quite conservative.

Table 6 - Estimated loss to State and Local Funds for 1 event

	1 event	5 events
Economic Activity lost	(\$9,741,968)	(\$48,709,839)
State Sales tax		
GR (3%)	(\$292,259)	(\$1,461,295)
Dedicated taxes (1.225%)	(\$119,339)	(\$596,696)
subtotal state taxes	(\$411,598)	(\$2,057,991)
Local Sales tax (3.88%)	(\$377,988)	(\$1,889,942)
Total loss	(\$789,586)	(\$3,947,932)

Reference footnotes

-
- ⁱ Wikipedia background: https://en.wikipedia.org/wiki/2015%E2%80%9316_University_of_Missouri_protests
 - ⁱⁱ Wikipedia background: [https://en.wikipedia.org/wiki/Religious_Freedom_Restoration_Act_\(Indiana\)](https://en.wikipedia.org/wiki/Religious_Freedom_Restoration_Act_(Indiana))
 - ⁱⁱⁱ Wikipedia background: https://en.wikipedia.org/wiki/Public_Facilities_Privacy_%26_Security_Act
 - ^{iv} Associated Press: <https://www.cnbc.com/2017/03/27/bathroom-bill-to-cost-north-carolina-376-billion.html>
 - ^v Boycotts to Missouri and other states: <https://wjla.com/news/nation-world/calls-to-boycott-alabama-georgia-missouri-over-restrictive-abortion-laws>
 - ^{vi} General Motors Vision Statement 2017 on corporate website:
<https://media.gm.com/media/us/en/gm/news.detail.html/content/Pages/news/us/en/2018/jun/0612-sustainability.html>
 - ^{vii} State of Missouri: Executive Budget for FY 2020:
https://oa.mo.gov/sites/default/files/FY_2020_EB_Social_Services.pdf
 - ^{viii} Should the federal government not penalize the state for the entire amount of Medicaid, even a small percentage reduction to the Medicaid federal funds could have a substantial amount of impact, especially if it is targeted to women's health care.
 - ^{ix} St. Louis Convention and Visitors Commission 2018 Annual Report: <https://explorestlouis.com/wp-content/uploads/2018/09/Annual-Report-2018.pdf>

Kip Kendrick, State Representative, District 45, Ranking Member House Budget Committee provided the following information:

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COMMITTEES:
Budget
Ethics
Higher Education
Subcommittee on Appropriations-
Education
Special Committee on
Government Oversight

KIP KENDRICK
State Representative
District 45

RECEIVED

JUN 12 2019

STATE AUDITOR'S
OFFICE

June 12, 2019

Dear Auditor Galloway:

I write to request that, in any fiscal note you prepare for any proposed petition pertaining to HB 126, your office incorporates the information and considerations contained in the fiscal note prepared for the final version of that legislation. For your reference, this fiscal note was identified for the General Assembly with reference number L.R. No. 0461-18. This fiscal note reflects the understanding and agreement of the General Assembly of the estimated impact of this bill upon the state budget at the time HB 126 was Truly Agreed To and Finally Passed. A copy of L.R. No. 0461-18 is attached for your reference.

Sincerely,

A handwritten signature in black ink that appears to read "Kip Kendrick".

Kip Kendrick
State Representative, District 45
Ranking Member House Budget Committee

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0461-18
Bill No.: SS for SCS for HB 126
Subject: Abortion
Type: Original
Date: May 16, 2019

Bill Summary: This proposal requires the use of a fetal heartbeat detection test prior to an abortion and prohibits an abortion if a fetal heartbeat is detected.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2026)
General Revenue	\$0	\$0	(Could exceed \$1,400,000)	(Could exceed \$4,900,000)
Total Estimated Net Effect on General Revenue	\$0	\$0	(Could exceed \$1,400,000)	(Could exceed \$4,900,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2026)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 14 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2026)
Federal	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on All Federal Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2026)
Total Estimated Net Effect on FTE	0	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2026)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints of less than 1 hour, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. **Oversight** has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, **Oversight** will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§135.630 Pregnancy Resource Center Tax Credit

Oversight notes according to the Tax Credit Analysis submitted by the Department of Social Services regarding this program, the Pregnancy Resource Center tax credit program had the following activity;

	FY 2016	FY 20167	FY 2018	FY 2019 (projected)	FY 2020 (projected)
Certificates Issued	4,363	4,628	4,416	4,400	5,400
Amount Authorized	\$2,499,442	\$2,443,386	\$2,499,394	\$2,500,000	\$3,500,000
Amount Issued	\$2,499,442	\$2,443,386	\$2,499,394	\$2,500,000	\$3,500,000
Amount Redeemed	\$1,845,875	\$2,183,505	\$2,094,375	\$2,000,000	\$3,000,000

Amount Outstanding - \$2,346,957 Amount Authorized but Unissued - 0

Oversight notes the pregnancy resource center tax credit program currently has a \$2.5 million annual cap. The cap is scheduled to increase to \$3.5 million starting July 1, 2019. Also, if the amount of tax credits redeemed in a fiscal year is less than the cumulative amount, the difference shall be carried over to a subsequent fiscal year or years and shall be added to the cumulative amount of tax credits that may be authorized in that fiscal year or years. Therefore, adding unused credits from the previous year(s), the cap in any given year past FY 2019 could well exceed \$3.5 million. The tax credit is scheduled to sunset on December 31, 2024, unless extended. In response to similar legislation this year, DOR confirmed that this tax credit is a first come first served credit and they have not had to apportion the credit.

Oversight notes the pregnancy resource center tax credit program allows a taxpayer to receive a tax credit up to 50% of the contribution they make to a pregnancy resource center. Currently a pregnancy resource center can provide counseling, emotional and material support to a client but are prohibited from providing childbirth or abortion services.

In response to similar legislation filed this year, SB 204, officials at the **Department of Revenue** assumed this proposed section increases the amount of tax credit awarded to taxpayers from 50 percent of their contribution to the pregnancy resource centers to 70 percent of their contribution to pregnancy resource centers.

ASSUMPTION (continued)

During the 2018 Regular Session; HB 1288 increased the pregnancy resource tax credit cap to \$3.5 million. This proposed legislation removes this cap, along with the sunset provisions. The Department in FY18 redeemed a total of \$2,094,375 in the Pregnancy Resource Center tax credit, which consisted of credits at 50 percent of the contribution amount. If the tax credit award is increased from 50 percent of the contribution to 70 percent of the contribution, the Department estimates, based on FY18 redemption data, redemptions could increase by \$1,047,152 for a total redemption amount of \$3,141,527. The Pregnancy Resource Tax Credit, though, is limited to the tax liability of the taxpayer. Thus, it is unknown whether such increase in redemptions would occur in full.

Oversight notes this proposal allows facilities that offer services under the Alternatives to Abortion program to qualify for the pregnancy resource center. Oversight assumes this could expand the number of pregnancy resource centers that are eligible to distribute this tax credit. However, Oversight will not reflect a fiscal impact from this change alone.

Oversight notes that starting January 1, 2021 (FY 2021) this proposal increases the amount of the credit from 50% of the contribution to 70% of the contribution. Increasing the tax credit amount could encourage additional taxpayers to participate in the program. At 50%, the \$3.5 million cap would generate \$7,000,000 in contributions. This proposal would increase the credit rate to 70% and therefore, cost the state \$4,900,000 (\$7 million x 70%) in credits. This could result in an additional \$1,400,000 (\$4.9 m - \$3.5 m) in credits per year. Oversight will show an impact of could exceed \$1.4 million annually starting in FY 2022 (when calendar year 2021 tax returns are filed).

Oversight notes this proposal also would remove the sunset language from the pregnancy resource center tax credit. Since this program is to sunset on December 31, 2024, removal of the sunset would continue this credit past FY 2025. Oversight will show the impact as a loss of state revenues of could exceed \$4.9 million annually starting in FY 2026 (current \$3.5 m cap + \$1.4 m increase in participation).

Oversight notes with the combination of;

- expanding the definition of pregnancy resource centers;
- increasing the percentage of the credit; and
- removing the cap

would increase the utilization of the credit and Oversight will show all impacts as Could exceed the estimates provided above.

ASSUMPTION (continued)

§§188.010 and 188.017 - Right to Life of the Unborn Child Act

Oversight notes, in response to the previous version of this proposal, the **Department of Corrections (DOC)** stated the proposal would not have a direct fiscal impact on their organization.

Oversight notes in response to similar legislation (SB 345), officials from the **Department of Corrections (DOC)** stated according to the Department of Health and Senior Services, Missouri currently has one licensed abortion facility (located in St. Louis). Women seeking abortions in Missouri will either go to another state or to the St. Louis facility. If this bill is enacted, the St. Louis facility closes. However, women will only have to drive a few more miles to Illinois, where abortions are legal.

Currently, there are three laws concerning abortion that contain penalties for violation (§188.080.001 - Class A misdemeanor; §188.080.002 - Class B felony; and §188.075.001 - Class A misdemeanor). No convictions of these statutes occurred in FY 2016 - 2018, even with the paucity of abortion facilities in the state. For these reasons, it is expected that enactment of this bill will have no fiscal impact on the **DOC**.

Oversight does not have any information to the contrary. Therefore, **Oversight** assumes there will be no fiscal impact to the **DOC** for fiscal note purposes.

Oversight notes, in response to the previous version of this proposal, the **Department of Social Services (DSS)** has stated the proposal would not have a direct fiscal impact on their organization.

In response to legislation with similar provisions banning abortions except in medical emergencies (SB 345), officials from the **Department of Social Services (DSS)** stated the proposed language may be subject to legal challenge on the grounds that it may conflict with current federal law governing the Medicaid program to the extent that it would prohibit the Missouri Medicaid program from paying for abortions in cases of pregnancies arising from rape or incest, or in cases where the abortion is necessary to save the life of the mother. Under current federal law, state Medicaid programs are not required to pay for abortions except in cases of rape, incest and when necessary to save the life of the mother. This is known as the Hyde Amendment. The current version of the Hyde amendment is included in the federal appropriation bill for the Medicaid program. (See the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2019, Pub. L. No. 115-245, §§506-07, 132 Stat. 2981 (2018).)

ASSUMPTION (continued)

In 1994 the United States District Court entered an injunction against Missouri directing Missouri to comply with the requirements of the Hyde Amendment. (Stangler vs. Shalala, 1994 WL 764104 (W.D.Mo 1994)). Failure to comply with the requirements of current federal law could subject Missouri to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. The extent of the deferral or disallowance is unknown.

Oversight notes in response to HB 126, the DSS stated the legislation could result in the loss of all federal Medicaid funds. In FY 2019, there is over \$7.2 billion federal funds budgeted for MO HealthNet services across the Department of Social Services, Department of Mental Health, and Department of Health and Senior Services.

Oversight notes DSS officials provided the MO HealthNet Division paid for 2 abortions during FY 2018 to save the life of the mother; no abortions were paid for during FY 2017 and 2 abortions were paid for in FY 2016 that resulted from rape and incest.

Oversight assumes federal funding would only be in jeopardy if, as a result of rape and incest, the DSS did not authorize funding for abortions for MO HealthNet recipients and the DSS actually had cases that met those conditions. Oversight contacted the DSS and requested a letter be obtained from the Centers for Medicare and Medicaid (CMS) services stating whether the provisions of 188.026.3 would result in the loss of federal funding. DSS believes it is unlikely CMS will provide such a letter. Since it is unknown whether DSS would lose some or all federal funding, Oversight will range the potential loss of federal funding from \$0 to (Unknown).

§§188.015 and 188.038 - Prohibition on selective abortions

In response to similar legislation (HB 771), officials from the **Department of Health and Senior Services (DHSS)** assumed the provisions of these sections would have no fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

In response to similar legislation (HB 771), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** stated these provisions are anticipated to have no fiscal impact on the DIFP. However, should the extent of the work be more than anticipated, the DIFP would request additional appropriation and/or FTE through the budget process.

Oversight notes, in response to similar legislation (HB 771), the **Office of Attorney General**, the **Department of Social Services** and the **Office of State Courts Administrator** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

§188.018 - Unconstitutionality of provisions

Oversight assumes the provisions of this section will have no fiscal impact on state agencies.

§188.026 - Missouri stands for the unborn act

Oversight assumes the provisions of this proposal will have no fiscal impact on state departments.

§188.027 - Printed materials to include information on causing pain

In response to legislation from this current session relating to printed materials (HB 252), officials from the **Department of Health and Senior Services (DHSS)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that from conversations with DHSS officials the department states they already have a surplus of the printed materials required by this proposal stored in their warehouse. In addition, DHSS states that the required materials are posted on their website and can be printed by clinics/providers when necessary. It is further assumed by DHSS officials that if someone needed the required materials to be sent to them, the clinic/provider would bear the mailing costs. Therefore, this proposal is not expected to have a fiscal impact on the DHSS.

§188.028 - Consent for minor to obtain an abortion

In response to similar legislation (HB 127), officials from the **Office of Attorney General (AGO)** assumed any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. However, the AGO may seek additional appropriations if there is a significant increase in litigation.

Oversight does not have any information to the contrary. Therefore, **Oversight** assumes the AGO will be able to perform the work associated with the proposal with existing staff and resources.

Oversight notes, in response to similar legislation (HB 127), the **Department of Health and Senior Services**, the **Department of Social Services** and the **Office of State Courts Administrator** have stated the proposal would not have a direct fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

§188.033 - Out-of-state abortions accompanied by printed materials

In response to similar legislation (HB 282), officials from the **Department of Health and Senior Services (DHSS)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that from conversations with DHSS officials the department states they already have a surplus of the printed materials required by this proposal stored in their warehouse. In addition, DHSS states that the required materials are posted on their website and can be printed by clinics/providers when necessary. It is further assumed by DHSS officials that if someone needed the required materials to be sent to them, the clinic/provider would bear the mailing costs. Therefore, this proposal is not expected to have a fiscal impact on the DHSS.

Oversight notes, in response to similar legislation (HB 282), the **Office of Attorney General, the Department of Social Services, the Office of State Courts Administrator and St. Louis County** have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

§§188.043 and 188.044 - Malpractice and tail insurance

In response to similar legislation (SCS HB 126), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** stated this bill is anticipated to have no fiscal impact to the department. However, should the extent of the work be more than anticipated, the DIFP would request additional appropriation and/or FTE through the budget process.

Oversight does not have any information to the contrary. Oversight assumes the DIFP will be able to perform the additional duties required by this proposal with existing personnel and resources. Oversight will reflect a zero fiscal impact for the DIFP for fiscal note purposes.

§§188.056, 188.057, and 188.058 - No abortions performed except in medical emergencies

Oversight notes the provisions of these sections provide that no abortion will be performed upon a woman at eight, fourteen or eighteen weeks gestational age or later, except in cases of medical emergencies. Oversight assumes these provisions would have no fiscal impact on state agencies.

Bill as a whole

ASSUMPTION (continued)

Officials from the **Office of Attorney General (AGO)** assume any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. However, the AGO may seek additional appropriations if there is a significant increase in litigation.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this bill is anticipated to have no fiscal impact to the department. However, should the extent of the work be more than anticipated, the DIFP would request additional appropriation and/or FTE through the budget process.

Oversight does not have any information to the contrary. Oversight assumes the DIFP will be able to perform the additional duties required by this proposal with existing personnel and resources. Oversight will reflect a zero fiscal impact for the DIFP for fiscal note purposes.

Officials from the **Missouri Office of Prosecution Services** have stated the proposal would not have a fiscal impact on their organization. However, the creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Oversight notes that the **Department of Corrections, the Department of Public Safety, Missouri State Highway Patrol, the Office of State Courts Administrator, the Office of State Public Defender and Legislative Research** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

§188.375 - Late-term pain-capable unborn child protection act

Oversight notes in response to similar legislation (SB 345), officials from the **Department of Corrections (DOC)** stated according to the Department of Health and Senior Services, Missouri currently has one licensed abortion facility (located in St. Louis). Women seeking abortions in Missouri will either go to another state or to the St. Louis facility. If this bill is enacted, the St. Louis facility closes. However, women will only have to drive a few more miles to Illinois, where abortions are legal.

ASSUMPTION (continued)

Currently, there are three laws concerning abortion that contain penalties for violation (§188.080.001 - Class A misdemeanor; §188.080.002 - Class B felony; and §188.075.001 - Class A misdemeanor). No convictions of these statutes occurred in FY 2016 - 2018, even with the paucity of abortion facilities in the state. For these reasons, it is expected that enactment of this bill will have no fiscal impact on the DOC.

Oversight does not have any information to the contrary. Therefore, **Oversight** assumes there will be no fiscal impact to the DOC for fiscal note purposes.

In response to similar legislation (SB 139), officials from the **Department of Social Services (DSS)** state the proposed language may be subject to legal challenge on the grounds that it may conflict with current federal law governing the Medicaid program to the extent that it would prohibit the Missouri Medicaid program from paying for abortions in cases of pregnancies arising from rape or incest, or in cases where the abortion is necessary to save the life of the mother. Under current federal law, state Medicaid programs are not required to pay for abortions except in cases of rape, incest and when necessary to save the life of the mother. This is known as the Hyde Amendment. The current version of the Hyde amendment is included in the federal appropriation bill for the Medicaid program. (See PL 114-113, 114-223 and PL 114-254.) In 1994 the United States District Court entered an injunction against Missouri directing Missouri to comply with the requirements of the Hyde Amendment. (Stangler vs. Shalala, 1994 WL 764104 (W.D.Mo 1994)). Failure to comply with the requirements of current federal law could subject Missouri to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. The extent of the deferral or disallowance is unknown.

This legislation could result in the loss of all federal Medicaid funds. In FY 2019, there is over \$7.2 billion federal funds budgeted for MO HealthNet services across the Department of Social Services, Department of Mental Health, and Department of Health and Senior Services. To continue covering services in SFY 2020 to Medicaid participants, the State of Missouri would need an additional \$7,408,762,188 in General Revenue to account for the reduction in Federal matching funds. A 2.4% medical inflation rate was used for FY 2020, FY 2021 and FY 2022.

SFY 2020: GR - \$7,408,762,188, FED - 0, OTHER - 0, Total: \$7,408,762,188
SFY 2021: GR - \$7,586,572,481, FED - 0, OTHER - 0, Total: \$7,586,572,481
SFY 2022: GR - \$7,768,650,220, FED - 0, OTHER - 0, Total: \$7,768,650,220

Oversight notes DSS officials provided the MO HealthNet Division paid for 2 abortions during FY 2018 to save the life of the mother; no abortions were paid for during FY 2017 and 2 abortion were paid for in FY 2016 that resulted from rape and incest.

ASSUMPTION (continued)

Oversight assumes federal funding would only be in jeopardy if, as a result of rape and incest, the DSS did not authorize funding for abortions for MO HealthNet recipients and the DSS actually had cases that met those conditions. Since it is unknown whether DSS would lose some or all federal funding, **Oversight** will range the potential loss of federal funding from \$0 to (Unknown)

In response to similar legislation (SB 139), officials from the **Department of Health and Senior Services (DHSS)** stated §188.026.1-2 of the proposed legislation requires a physician performing an abortion to conduct a fetal heartbeat determination, and a record of the results of the fetal heartbeat determination exam to be included in the woman's medical record. The DHSS, Division of Regulation and Licensure, Section for Health Standards and Licensure (HSL) is responsible for regulating abortion facilities. This will require two additional steps to be added to the survey process to ensure the physician performing the abortion conducts a fetal heartbeat determination exam, and the medical record includes documentation of the fetal heartbeat determination. It is assumed that these new questions will require less than 30 additional minutes per survey, at the three abortion facilities in Missouri, for a total of one and one-half hours of additional work a year. These surveys are conducted by a Health Facilities Nursing Consultant. The average hourly rate for this position is \$26.05, so the additional cost of these additional questions is \$39.08 annually (1.5 hours x 26.05).

In addition, §188.052.2(4) of the proposed legislation states that the time, date, method, and results of the fetal heartbeat detection test performed prior to an abortion shall be captured in the individual complication report. This would require DHSS, Division of Community and Public Health (DCPH), to make minor revisions to the Complication Report for Post-Abortion Care form that is posted on the DHSS website, and would also require minor changes to the DHSS database used to capture this information. Both of these revisions could be completed by current staff. Forms are not printed, therefore, DCPH would not incur any cost to print revised forms.

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Therefore, **Oversight** assumes the DHSS will be able to perform the additional duties prescribed in this bill with current staff and resources and will present no fiscal impact to the DHSS for fiscal note purposes.

In response to similar legislation (SB 139), officials from the **Office of Attorney General (AGO)** assumed any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. However, the AGO may seek additional appropriations if there is a significant increase in litigation.

ASSUMPTION (continued)

Oversight does not have any information to the contrary. Therefore, **Oversight** assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

In response to similar legislation (SB 139), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this bill is anticipated to have no fiscal impact on the DIFP. However, should the extent of the work be more than anticipated, the DIFP would request additional appropriation and/or FTE through the budget process.

Oversight does not have any information to the contrary. Therefore, **Oversight** assumes the DIFP can perform the additional duties required by this proposal with existing personnel and resources.

Oversight notes the provisions of §188.026.4 provide that if a physician fails to conduct a fetal heartbeat detection test prior to the performance or inducement of an abortion, he/she will be subject to having his/her license application rejected, revoked, or suspended by the state board of registration for the healing arts for a period of six months and shall be subject to a fine of one thousand dollars.

Per DHSS's 2016 Annual Report (most current available), 4,562 abortions were performed in Missouri. Per www.steadyhealth.com, fetal heartbeats can usually be detected around 6-7 weeks, although it can take up to 10 weeks for the heartbeat to be heard. Other online information indicated a doctor can usually detect the baby's heartbeat at 9-10 weeks, although sometimes it takes 12 weeks for it to be easily detected. For purposes of this fiscal note, **Oversight** assumed a fetal heartbeat would be detected after 9-10 weeks. According to DHSS's report, 1,323 abortions (29%) were performed after the 9-10 week period of time.

Oversight notes, per DHSS's response, there are three facilities in Missouri which perform abortions. With the limited number of facilities providing abortion services, **Oversight** assumes there would be a limited number of physicians required to comply with the provisions of this the proposal. Therefore, for fiscal note purposes, **Oversight** is not presenting potential fine revenue; however, any fine revenue collected would be deposited in the State School Moneys Fund (0616).

Oversight notes, in response to similar legislation (SB 139), the **Office of State Courts Administrator (OSCA)** stated the proposal would not have a direct fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for OSCA.

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<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2026)
GENERAL REVENUE FUND				
<u>Cost - DOR</u> §135.630 removing the cap and sunset language from the pregnancy resource center	<u>\$0</u>	<u>\$0</u>	<u>(Could exceed \$1,400,000)</u>	<u>(Could exceed \$4,900,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>(Could exceed \$1,400,000)</u>	<u>(Could exceed \$4,900,000)</u>

FEDERAL FUNDS

<u>Loss</u> - DSS (§188.026)	A potential reduction in federal funding if Missouri is found to be non-compliant with federal law	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS		<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2026)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may have a significant negative fiscal impact on small business health care providers if the State of Missouri loses federal funding used to provide services to MO HealthNet recipients through these health care providers.

FISCAL DESCRIPTION

This proposal modifies provisions relating to abortion and the pregnancy resource center tax credit.

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

Office of Attorney General
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Corrections
Department of Revenue
Legislative Research
Department of Social Services
Missouri Office of Prosecution Services
Office of State Courts Administrator
Office of State Public Defender



Kyle Rieman
Director
May 16, 2019

Ross Strope
Assistant Director
May 16, 2019

Sarah W. Martin, 11th Ward Alderwoman, Lyda Krewson, Mayor, Annie Rice, 8th Ward Alderwoman, Dan Guenther, 9th Ward Alderman, Larry Arnowitz, 12th Ward Alderman, Cara Spencer, 20th Ward Alderwoman, Bret Narayan, 24th Ward Alderman, Shane Cohn, 25th Ward Alderman, and Heather Navarro, 28th Ward Alderwoman from City of St. Louis provided the following information:



BOARD OF ALDERMEN

CITY OF SAINT LOUIS
MISSOURI

Sarah Wood Martin
Alderwoman, 11th Ward

--COMMITTEES--

Engrossment Rules, Resolutions & Credentials
Health & Human Services
Parks & Environmental Matters
Streets, Traffic & Refuse

June 11, 2019

Office of the Missouri State Auditor
Auditor Nicole Galloway
Capitol Building, Suite 121
P.O. Box 869
Jefferson City, Missouri 65102

Dear Madam Auditor Galloway,

We write to you as elected officials representing a portion of the state's largest economy. Please consider this correspondence a request of a cost overview analysis to determine the potential financial impact of the Missouri Legislature's passage of House Bill 126.

The Saint Louis region generates nearly half of Missouri's revenue, bringing in over \$30 million in sales tax revenue. According to Missouri's Department of Economic Development, "The St. Louis region boasts one of America's great metropolises in the Gateway City, with almost ten Fortune 500 firms, world-class museums, restaurants, shopping, and sports (Cardinal baseball and Blues Hockey). Leading industries include retail trade, professional and technical services, construction, food services and administrative and support services such as Edward Jones, Enterprise Rent-A-Car, AG Edwards and Anheuser-Busch."

We already know from the previous legislation, discriminatory laws in Missouri and other states have negative financial impacts. In 2016, when the Missouri Legislature attempted to discriminate against our LGBT neighbors we heard widespread criticism from the business community about how this law would have made Missouri an unattractive place to do business. House Bill 126 has the same effect. Discrimination, in any form, is detrimental to the hiring abilities and financial bottom line of our major industries. Allowing HB 126 to become law will spark backlash against our state. We could face economic boycotts and travel advisories as our residents push back against this unconstitutional law. This is not unprecedented in Missouri- we need look no further than the NAACP's issuance of a travel advisory in 2017 warning visitors who travel to our state that they may face discrimination. Right now, we can look to states like Georgia to see legislation similar to HB 126 has triggered a boycott from leading artists and entertainers costing the state millions. We cannot suffer another blow to our economic development.

Room 230, City Hall • 1200 Market Street • St. Louis, MO 63103 • (314) 622-3756
martins@stlouis-mo.gov

These types of discriminatory laws have a broad impact. Potential students have announced they will no longer consider Missouri's top higher education institutes. These same institutions have research facilities that will have to contend with the best and the brightest looking to work elsewhere. Our convention center will be competing to attract conferences and entertainment with cities in other more inclusive states. Corporations rooted in Saint Louis and those looking to relocate have already denounced discriminatory laws citing the difficulty of competing for top talent.

The Legislature's Fiscal Oversight Division reports the fiscal impact of this fully implemented legislation on General Revenue in 2026 could exceed \$4,900,000. Our state also stands to lose \$7.2B in Medicaid funding should this measure become law. This number was determined quickly and without a full response from all departments. We know this legislation will have severe financial consequences for our city. We ask you to consider those costs in your analysis of referenda seeking to repeal HB 126 that will come before your office for review.

Sincerely,

Mayor Lyda Krewson
8th Ward Alderwoman Annie Rice
9th Ward Alderman Dan Guenther
11th Ward Alderwoman Sarah W. Martin
12th Ward Alderman Larry Arnowitz
20th Ward Alderwoman Cara Spencer
24th Ward Alderman Bret Narayan
25th Ward Alderman Shane Cohn
28th Ward Alderwoman Heather Navarro

The State Auditor's office did not receive a response from the **Attorney General's office**, the **Secretary of State's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Jackson County**, **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 Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, 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**, **Malta Bend R-V School District**, **Mehlville School District**, **State Technical College of Missouri**, **University of Missouri**, **St. Louis Community College**, and **Missouri Life Sciences Research Board**.

Fiscal Note Summary

Revenues from state sources may decrease by at least \$4.9 million annually and federal Medicaid revenues may decrease by an unknown amount, up to \$7.2 billion annually. The Public Defender's Office anticipates increased costs of an unknown amount to defend women's medical actions after conception. Local governmental entities anticipate a significant negative impact.