

**MISSOURI STATE AUDITOR'S OFFICE  
FISCAL NOTE (22-SJR 38)**

**Subject**

Senate Substitute No. 2 for Senate Joint Resolution No. 38. (Received May 23, 2022)

**Date**

June 10, 2022

**Description**

This proposal would amend Article X of the Constitution of Missouri.

The amendment is to be voted on in November 2022.

**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 and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, 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 the **Kansas City Board of Police Commissioners**.

**Assumptions**

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their

office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

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

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

Officials from the **Department of Elementary and Secondary Education** indicated they do not anticipate an impact.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this resolution, if passed, will have no anticipated 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 they anticipate no fiscal impact for this senate joint resolution proposing to amend Article X.

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

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their office.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** indicated they anticipate no fiscal impact.

Officials from the **Department of Social Services** indicated this will have no fiscal impact for their department.

Officials from the **Governor's office** indicated this proposal relating to funding local police departments should not fiscally impact their office.

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

Officials from the **Department of Conservation** indicated this senate joint resolution will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact to their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to funding local police departments should not fiscally 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 **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of

their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this will have no fiscal impact on their office.

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

Officials from the **City of Jefferson** indicated they would not anticipate any direct costs (or savings) specifically to their city as a result of this resolution being adopted. One might speculate on what such a board might decide, that decision could have an impact on the city.

Officials from the **City of Kansas City** indicated if this amendment is approved by the voters it will have a negative fiscal impact on their city because it will provide authorization to the implementation of the state legislature's recently passed Senate Bill 678 that increases the amount that Kansas City must fund its police department from 20% to 25% of the City's general revenue. Kansas City expect the maximum 25% to be reached every year.

The increase for Kansas City in terms of an estimated dollar amount by increasing the amount that Kansas City must fund its police department from 20% to 25% of the city's general revenue is \$38,743,646.

This is calculated based on the Fiscal Year 23 Submitted Budget:

20% of General Revenue from such budget - \$154,974,583

25% of General Revenue from such budget- \$193,718,228

Difference - \$38,743,646

Under current law, the city is allowed to exercise its legislative prerogative to fund the State Board of Police Commissioners at a level in excess of the statutory amount. If Senate Bill 678 is signed or otherwise becomes law, and if the amendment is approved, it could obligate the City of Kansas City, Missouri to appropriate an additional 5% of its general revenue in response to a budget prepared by the State Board of Police Commissioners. A change to the percentage would limit the city's budgetary flexibility and necessitate a reduction in other services the city provides of up to 5% of its general revenues. Based on the city's most recent budgeted calculation of general revenue, the resolution could increase the city's mandatory funding for the police and decrease its funding for other services funded by general revenue, including but not limited to, fire protection services, roadway and infrastructure maintenance, and other municipal services by more than \$38.7 million.

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

Officials from **University of Missouri** indicated this senate joint resolution is not anticipated to have a significant impact on their university.

Officials from the **Kansas City Police Department and the Kansas City Board of Police Commissioners** indicated:

# Police

KC/MO

Joseph E. Mabin Jr.  
Chief of Police

## Headquarters Building

1125 Locust  
Kansas City, Missouri 64106  
www.kcpd.org

Office (816) 234-5000

June 6, 2022

Nicole Galloway  
State Auditor  
State Capitol Building  
Jefferson City, MO 65101

### **RE: Fiscal Note for Senate Substitute No. 2 for Senate Joint Resolution No. 38**

The Kansas City Missouri Police Department is tasked with policing a city with a population of approximately 500,000 and nearly 320 square miles. The Police Department must maintain law enforcement staff that can adequately respond to the needs of the community.

In Fiscal Year 2022, the City determined that the Police Department received 25.8% of its general revenue. This was \$1.8 million less than appropriated in the Fiscal Year 2020 (pre-COVID), and there has been an increase of \$2.35 million in just health insurance since that time. This is just one of many items that increased our budget without additional funding. In addition, in the Fiscal Year 2020, the department was funded at full staffing. Currently, with the department being underfunded, the department will continue to be understaffed if funding is not proportionate to increasing costs.

Currently, the department's general fund is 93.8% personnel costs. If the Police Department funding were to continue at 20%, it would remain less than what the City has been funding, and would not support personnel and the bare minimum in other costs that are necessary to operate the Police Department. The current 20% does not allow the Police Department to police the city properly and is a detriment to the community that we serve.



Major Derek McCollum  
Commander  
Fiscal Division

The State Auditor's office did not receive a response from **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 Joplin, 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, and St. Louis Community College.**

### **Fiscal Note Summary**

State and local governmental entities estimate no additional costs or savings related to this proposal.