



NICOLE GALLOWAY, CPA
Missouri State Auditor

August 5, 2019

Commissioner Sarah Steelman
Office of Administration
State Capitol Building
201 W. Capitol Avenue, Room 125
Jefferson City, MO 65101

Dear Commissioner Steelman:

Given that the State Auditor's Office will be announcing the application process shortly, I wanted to confirm this office's understanding as to where the nonpartisan state demographer should be assigned, so that proper budget preparations can be made.

In November 2018, Missouri voters passed Amendment 1, which revised Article III of the Missouri Constitution. That measure created the position of nonpartisan state demographer. Amendment 1 did not define where in Missouri state government the nonpartisan demographer would be assigned; Article III, Section 3, directs the State Auditor's Office to create an application process for the position and gives state senate leadership the authority to select the nonpartisan demographer.

In December 2016, the Office of Administration conveyed Amendment 1's anticipated fiscal impact to its office:

This proposal could have an impact on the Office of Administration. There is currently a State Demographer, with statutory duties that extend beyond those of legislative reapportionment. If the existing State Demographer would be chosen to assume the role of "Non-partisan State Demographer," there would be no fiscal impact. However, if that post is filled by another individual, the salary and benefits costs would be an estimated \$128,513 in FY 2021, adjusted for inflation. In either scenario, the cost for other staff hired for the purposes of redistricting would remain the same.¹

The State Auditor's Office has consistently informed the General Assembly that legislative proposals concerning the nonpartisan state demographer would have no impact on our office and that "SAO presumes the demographer positions would remain under the Office of Administration."² Copies of these fiscal notes are attached herein for your reference.

¹ SAO Fiscal Note 18-048, December 13, 2016.

² S.B. 213 Fiscal Note, February 7, 2019 and H.B. 973 Fiscal Note, February 22, 2019.

Finally, Senate Bill 213, which becomes law on August 28, outlines several duties and expectations of the nonpartisan demographer. The legislation allows that, "the demographer may additionally retain reasonably necessary technical and clerical assistance from the office of administration." To ensure the nonpartisan demographer receives the expertise the legislature envisioned and with the aforementioned reasoning in mind, this position is naturally assumed to be an employee within the Office of Administration.

Please do not hesitate to contact me if you wish to discuss further. We look forward to working together to ensure this process is efficient.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Moorefield", with a stylized flourish at the end.

Michael A. Moorefield
Chief of Staff and Counsel

Enc.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (18-048)**

Subject

Initiative petition from Sean Soendker Nicholson regarding a proposed constitutional amendment to Article III. (Received November 23, 2016)

Date

December 13, 2016

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2018.

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**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Ethics Commission**, and the **State Auditor's office**.

Sean Soendker Nicholson provided information as a proponent of the proposal to the State Auditor's office.

Assumptions

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

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

Officials from the **Department of Economic Development** indicated there would be no impact to their department as a result of this initiative petition.

Officials from the **Department of Higher Education** indicated this initiative petition would not have a fiscal impact on their department.

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

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

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

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

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

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

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

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

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

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 that no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Department of Transportation** indicated no fiscal impact.

Officials from the **Office of Administration** indicated this initiative petition revises Article III of the Missouri Constitution by amending Sections 2, 5, 7, and 19 and enacting three new sections.

Legislators and their employees are prohibited from lobbying for at least two years after the conclusion of the session during which they vacate office, and from acting as paid consultants while in office. Legislators and their staff are prohibited from accepting a gift in excess of five dollars, per occurrence.

The initiative creates the post of "non-partisan State Demographer" to oversee the redistricting process for the state House and Senate districts. The demographer is to be selected by a process involving the State Auditor and the Senate majority and minority leaders. Note that the wording is unclear on this process because the only State Auditor list mentioned in the list of at least three names. Therefore, if each the minority and the majority member are allowed to remove one-third of the list, and the list is only three names, they may each remove one person, leaving only one choice left, so no random lottery would be necessary. This demographer will be unable to hold elected office for four years following the filing of the new legislative districts. The redistricting process shall maximize partisan fairness and competitiveness.

It mandates that legislative records which are created, stored or distributed through legislative branch facilities, equipment or mechanisms shall be public. It allows explicitly identified legislative proceedings as open meetings and authorizes recording of such proceedings by citizens.

Political fundraising activities and events may not be held in any location owned by, or under the control of, the State of Missouri.

Campaign contributions for state senators are limited to \$2,500 and representatives are limited to \$2,000, with CPI adjustments made in even-numbered years. Also, contributions from federal political action committees are prohibited unless the committee has filed the same financial disclosure reports that would be required of a Missouri political action committee.

This proposal could have an impact on the Office of Administration. There is currently a State Demographer, with statutory duties that extend beyond those of legislative reapportionment. If the existing State Demographer would be chosen to assume the role of "Non-partisan State Demographer," there would be no fiscal impact. However, if that post is filled by another individual, the salary and benefits costs would be an estimated \$128,513 in FY 2021, adjusted for inflation. In either scenario, the cost for other staff hired for the purposes of redistricting would remain the same.

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

Officials from the **Missouri Senate** indicated no fiscal impact on their office.

Officials from the **Secretary of State's office** indicated their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Their office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. Through FY (fiscal year) 2013, the appropriation had historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation. In FY 2017 their office was appropriated \$2.6 million to publish the full text of the measures. In FY 2017, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$2.4 million to publish (an average of \$400,000 per issue). Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

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

Officials from the **State Treasurer's office** indicated this would have no fiscal impact on their office.

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

Officials from the **City of Columbia** indicated no impact to their city.

Officials from the **City of Kansas City** indicated no direct fiscal impact is anticipated if this proposal is adopted.

Officials from the **City of Raymore** indicated no fiscal impact.

Officials from the **City of St. Joseph** indicated this should not have a fiscal impact on local government.

Officials from the **Metropolitan Community College** indicated there is no anticipated impact for their college.

Officials from the **University of Missouri** indicated there are no anticipated financial impacts.

Officials from the **Missouri Ethics Commission** (MEC) indicated:

possible increased operating costs of \$67,478 for the first year implemented, \$61,107 for the second year implemented, and \$61,734 for the third year implemented.

Prohibiting a statewide elected official, member of the general assembly or paid employee of general assembly from acting, serving, or registering as a lobbyist for a specified period of time after leaving office would require the following of the MEC:

- Provide information to public officials and the public as specified in the Commission duties in Section 105.491, 105.955.14 (4), RSMo., about the new statutory requirements; examples include providing education, developing informational materials, telephone and email assistance.
- Provide oversight to ensure those individuals leaving the general assembly do not register as a lobbyist with the MEC for the specified period of time. This would entail reviewing lobbyist registrations, at the time of receipt by the MEC, and comparing them to those members of the general assembly who have left office within the specified period of time. For any individual submitting a registration, create the necessary correspondence to the registrant and track the results of the correspondence.
- Respond to written complaints, as established in Section 105.955.14, RSMo., through conducting investigations and the related legal actions. Any significant increase of complaints would require additional Commission resources, including investigative staff.

Implementing prohibition for a member of general assembly, staff/employees of the general assembly to accept specified monetary lobbyist/lobbyist principal gifts would require the following of the MEC:

- Provide information to public officials and the public as specified in the Commission duties in Section 105.491, 105.955.14 (4), RSMo., about the new statutory requirements; examples include providing education, developing informational materials, telephone and email assistance.
- Provide oversight in adherence to the specific gift prohibition, including reviewing lobbyist reports as established in Section 105.959, RSMo. This oversight, it is assumed, would be primarily from receiving written complaints, as established in Section 105.955.14, RSMo., through conducting investigations and the related legal actions. It is assumed this prohibition would result in a minimal number of complaints; however, if this assumption is incorrect the Commission would require additional staff resources.

Implementing campaign finance limits would require the following of the MEC:

- Provide information to those committee officers and the public as specified in the Commission duties in Section 105.491, 105.955.14 (4), RSMo. about these limits;

examples include providing education, developing informational materials, telephone and email assistance.

- Provide oversight in campaign finance committee adherence to the specific contribution limits, including reviewing, auditing, and performing cross checks of the reported contributions, as established in Section 105.955.14 (2), (3), RSMo.
- Respond to written complaints, as established in Section 105.955.14, RSMo., through conducting investigations and the related legal actions.

Oversee the prohibition of political fundraising activities or events from occurring on State of Missouri property or any agency or division thereof would require the following of the MEC:

- Provide information to those committee officers and the public as specified in the Commission duties in Section 105.491, 105.955.14 (4), RSMo. about this provision; examples include providing education, developing informational materials, telephone and email assistance.
- Provide oversight in campaign finance committee adherence to the specific restrictions, including reviewing, auditing, and performing cross checks of the reported fund raising activity, as established in Section 105.955.14 (2), (3), RSMo.
- Respond to written complaints, as established in Section 105.955.14, RSMo., through conducting investigations and the related legal actions.

In regards to all of the provisions outlined above, if the Commission identifies significant violations during the process established in Section 105.955.14 (2), (3), RSMo or complaints received increase significantly an Investigator would be required to provide the proper oversight.

The implementation of contribution limits requires the Missouri Ethics Commission to request additional funding. Below is an outline of the additional funding. In the 2016 November General Election a Constitutional Amendment implementing contribution limits was adopted by voters. At this time, the Missouri Ethics Commission has not received the additional funding required to implement contribution limits.

The proposed provisions would implement campaign finance limits. The implementation of the above responsibilities would require the following additional resources:

- \$15,120 in expense and equipment to acquire contract services that would develop the MEC internal search capabilities for oversight of the campaign finance committees' adherence to the specific contribution limits, as established in 105.955.14, RSMo. Current campaign finance data collection would allow the MEC to use search capabilities, providing for a manual review by MEC staff of adherence to the established limits.
- 1 Business Analyst to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business Analyst would review committee reports for compliance, prepare necessary notices, track the receipt of payment, and coordinate the necessary collection efforts. Currently two Business Analysts assist 2,800

committees in filing campaign finance reports, prepare and disseminate 15,000 notices, and review 11,000 campaign finance reports.

- If the Commission identifies significant violations during the process established in Section 105.955.14 (2), (3), RSMo, or complaints received increase significantly an Investigator would be required to provide the proper oversight.

Officials from the **State Auditor's office** (SAO) indicated any additional costs can be absorbed within current appropriations.

Sean Soendker Nicholson provided the following information as a proponent of this initiative petition.

I am a proponent of this initiative petition. Pursuant to 116.175 RSMo, I submit the following information regarding the initiative petition.

There is no cost to the state over the next two years as a result of passage of any of the initiatives. Any potential costs arising from the adoption of these proposals is minimal and can be absorbed with existing resources from the General Assembly, Missouri Ethics Commission, Attorney General's Office, Office of Administration, and other state agencies.

There is currently a State Demographer, with statutory duties that extend beyond those of legislative reapportionment. The existing State Demographer can be expected to assume the role of Non-partisan State Demographer, and there would be no fiscal impact. Certainly there can be no definitive judgment that the measure would add costs for the state.

The proposals do not establish a new program or agency so there is no duplication of existing programs. There is no federal mandate with regard to the proposals. There will be no fiscal impact on any subdivision of the state. There will be no economic impact on small businesses.

The Missouri Ethics Commission is already required to provide guidance and information to members of the General Assembly and Missouri public about campaign finance rules and lobbying rules, and is already required to respond to written complaints through conducting investigations and the related legal actions.

The State Auditor's office did not receive a response from the **Department of Elementary and Secondary Education, 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 Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, State Technical College of Missouri, and St. Louis Community College.**

Fiscal Note Summary

State governmental entities estimate annual operating costs may increase by \$189,000.
Local governmental entities expect no fiscal impact.

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1276-03
Bill No.: SB 213
Subject: Redistricting
Type: Original
Date: February 7, 2019

Bill Summary: This proposal enacts new provisions relating to the nonpartisan state demographer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$16,750) to (\$67,182)	(\$3,885) to (\$80,631)	(\$4,275) to (\$81,312)
Total Estimated Net Effect on General Revenue	(\$16,750) to (\$67,182)	(\$3,885) to (\$80,631)	(\$4,275) to (\$81,312)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

☐ 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
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration-ITSD** assume the proposal will be a new standalone site to be created in Drupal. If this site could be hosted under oa.mo.gov we can reduce the cost of the Drupal Code base. ITSD is assuming 5 GB of storage will be needed each year and will be retained for at least 3 years. ITSD is assuming an Entrust Certificate for the site which is \$300 for a 3 year certification so it would need to be renewed in FY2023. ITSD will assume the proposal will require costs for IT Consultants, data and storage back up, and website security. The fiscal impact will be \$16,750 in FY 2020, \$3,885 in FY 2021, and \$4,275 in FY 2022.

The consultant rate of \$75 per hour is an estimated rate based on current contract(s) pricing. It is assumed that any new IT project/system will be bid out, as all ITSD resources are at full capacity. Project Management hours is an estimated rate of 8% based on current/projected averages. A 20% maintenance rate for on-going support of systems/system changes is based on industry standards and the standard rate usually charged by IT service providers. Plus, a 1.025% inflation factor is applied to future years.

In response to this proposal, OA-ITSD has made the assumption that OA would provide the support for the website established for the nonpartisan state demographer, as currently, state demographic information is published on OA's website (oa.mo.gov), and article III, section 3 of the Missouri Constitution, while stating that applicants apply for the demographer position through the state auditor, does not state a location for the position.

If the position is to work under the State Auditor, not OA, the estimated fiscal impact would shift from OA to the State Auditor's Office (SAO).

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out website development. ITSD estimates the project would take 216 hours at a contract rate of \$75 per hour for a total cost to the state of \$16,200 in FY 2020. There is ongoing support cost of \$3,321 in FY 2021 and \$3,404 in FY 2022. Other costs include storage and back up and website security. This will be \$550 in FY 2020, \$564 in FY 2021, and \$871 in FY 2022. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal

ASSUMPTION (continued)

impact from the cost of contracting out the work (\$16,200) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

Officials from the **State Auditor's Office (SAO)** assume the proposal will have no fiscal impact on their organization. SAO presumes the demographer positions would remain under OA.

Officials from the **Office of Administration-Budget and Planning, Missouri Senate, Missouri House of Representatives, and Office of the Governor** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the Office of Administration-Budget and Planning, Missouri Senate, Missouri House of Representatives, Office of the Governor, and State Auditor's Office have 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 on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
Cost - OA - ITSD costs (ranged from contracting out programming to hiring additional FTE IT Specialist)	(\$16,750) to (\$67,182)	(\$3,885) to (\$80,631)	(\$4,275) to (\$81,312)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$16,750) to (\$67,182)	(\$3,885) to (\$80,631)	(\$4,275) to (\$81,312)
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act requires the nonpartisan state demographer to establish the Redistricting Public Comment Portal for the purpose of publicly accepting any comments, records, documents, maps, data files, communication, or information of any kind relating to the redistricting process. Any such submissions shall be accompanied by a disclosure that indicates whether:

The person or entity making the submission was responsible in whole or in part for the submission; or

A person or entity other than the person making the submission contributed money that was intended to fund preparation of the submission and, if so, the disclosure shall additionally identify each such contributor.

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 Administration-ITSD
Office of Administration-Budget and Planning
Office of the Governor
Missouri Senate
Missouri House of Representatives
State Auditor's Office



Kyle Rieman
Director
February 7, 2019

Ross Strobe
Assistant Director
February 7, 2019

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1988-01
Bill No.: HB 973
Subject: Redistricting
Type: Original
Date: February 22, 2019

Bill Summary: This proposal enacts new provisions relating to the nonpartisan state demographer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$16,750) to (\$67,182)	(\$3,885) to (\$80,631)	(\$4,275) to (\$81,312)
Total Estimated Net Effect on General Revenue	(\$16,750) to (\$67,182)	(\$3,885) to (\$80,631)	(\$4,275) to (\$81,312)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

☐ 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
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration-ITSD** assume the proposal requires a website be established for publicly receiving comments, records, documents, maps, data files, communication, or any information related to redistricting.

As the proposal tags the demographer as nonpartisan, assumed a new website, not to be hosted under the oa.mo.gov site. If this site could be hosted under oa.mo.gov we can reduce the cost of the Drupal Code base and on the cost of three year security certificate. ITSD is assuming 5 GB of storage will be needed each year and will be retained for at least 3 years. ITSD is assuming an Entrust Certificate for the site which is \$300 for a 3 year certification so it would need to be renewed in FY2023. ITSD will assume the proposal will require costs for IT Consultants, data and storage back up, and website security. The fiscal impact will be \$16,750 in FY 2020, \$3,885 in FY 2021, and \$4,275 in FY 2022.

The consultant rate of \$75 per hour is an estimated rate based on current contract(s) pricing. It is assumed that any new IT project/system will be bid out, as all ITSD resources are at full capacity. Project Management hours is an estimated rate of 8% based on current/projected averages. A 20% maintenance rate for on-going support of systems/system changes is based on industry standards and the standard rate usually charged by IT service providers. Plus, a 1.025% inflation factor is applied to future years.

In response to this proposal, OA-ITSD has made the assumption that OA would provide the support for the website established for the nonpartisan state demographer, as currently, state demographic information is published on OA's website (oa.mo.gov), and article III, section 3 of the Missouri Constitution, while stating that applicants apply for the demographer position through the state auditor, does not state a location for the position.

If the position is to work under the State Auditor, not OA, the estimated fiscal impact would shift from OA to the State Auditor's Office (SAO).

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out website development. ITSD estimates the project would take 216 hours at a contract rate of \$75 per hour for a total cost to the state of \$16,200 in FY 2020. There is ongoing support cost of \$3,321 in FY 2021 and \$3,404 in FY 2022. Other costs include storage and back up and website security. This will be \$550 in FY 2020, \$564 in FY 2021, and \$871 in FY 2022. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000

ASSUMPTION (continued)

per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$16,200) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

Officials from the **Office of Administration-Budget and Planning** and **Missouri Senate** both assume the proposal will have no fiscal impact on their organization.

Officials from the **State Auditor's Office (SAO)** assume the proposal will have no fiscal impact on their organization. SAO presumes the demographer positions would remain under OA.

In response to similar legislation SB 213, officials from the **Office of the Governor** and **Missouri House of Representatives** both assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the Office of Administration-Budget and Planning, Missouri Senate, Missouri House of Representatives, Office of the Governor, and State Auditor's Office have 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 on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
Cost - OA - ITSD costs (ranged from contracting out programming to hiring additional FTE IT Specialist)	(\$16,750) to (\$67,182)	(\$3,885) to (\$80,631)	(\$4,275) to (\$81,312)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$16,750) to (\$67,182)	(\$3,885) to (\$80,631)	(\$4,275) to (\$81,312)

FISCAL IMPACT - Local Government

FY 2020
(10 Mo.)

FY 2021

FY 2022

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, the Missouri Constitution requires a nonpartisan state demographer to draw redistricting maps on the basis of specified formulas and criteria. This bill requires the demographer to establish a "Redistricting Public Comment Portal," to accept comments, maps, or other communications from the general public or interested parties. Submissions to the portal must disclose whether the entity making the submission was responsible for its content and whether or not the submission was funded by contributors. If a submission was funded, then the identity of the contributors shall be disclosed.

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 Administration-ITSD
Office of Administration-Budget and Planning
Office of the Governor
Missouri Senate
Missouri House of Representatives
State Auditor's Office



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February 22, 2019

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