

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5098H.02I
Bill No.: HB 2498
Subject: Libraries and Archives; Political Subdivisions; Elections
Type: Original
Date: February 5, 2024

Bill Summary: This proposal requires public libraries that are authorized to levy or collect taxes to be governed by an elected library board.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	(Unknown, could exceed \$2,221,216)	(Unknown, could exceed \$846,350)	(Unknown, could exceed \$2,221,216)

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. 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 to publish a new fiscal note.

§182.951 – Public Library Administration

Officials from the **Bollinger County Library** assume a cost between \$9,100 and \$17,600 for FY25 with a 2% annual increase to this cost each year. Low end projections are more than the total book budget for the year of \$5,000. Book budgets are the only thing that are very negotiable in a library budget. Insurance, utilities, payroll etc. have to be paid. The total tax income for the year is right at \$170,000, so this would be almost a 5% yearly cost in the budget.

Officials from the **Cape Girardeau Public Library** state the current nine member board is appointed by members of an elected City Council at no cost to the Library District. Based on the information provided by the Cape Girardeau County Clerk's office, the Municipal Library District could expect yearly costs to be around \$10,000 to \$21,000 depending on how many other elections or questions are on the ballot. These numbers include the State Reimbursement. These are just the direct costs that the County Clerk would charge. Of course, there would also be additional indirect administrative costs to conduct a yearly election.

Officials from the **Centralia Public Library** state according to the Boone County Clerk "this bill would put trustees on the November general election cycle. A conservative estimate, based on the November 2022 election, would be about \$4,500 for the Centralia Library." This would add a considerable financial burden for the taxpayers of the Centralia Public Library district if it were to pass. It would mean \$4,500 less each year that would otherwise provide vital resources for patrons of the library. The Mayor and Board of Aldermen of the City of Centralia currently appoint members to the board each year. Librarians themselves have nothing to do with the process of selecting and appointing board members.

Officials from the **Daniel Boone Regional Library** assume election costs to be \$175,000 for each election in Boone County and around \$25,300 for elections in Callaway County. The regional library budget would thus be required to pay around \$200,000 every other year when elections take place. This amount is after the counties take into account the state reimbursement for the election costs. This would require cuts to the materials budget and a significant reduction of the program budget. There would be unquantifiable costs in time and training materials to provide additional trustee training, as the entire board could turn over every other year. Finally, if the intent of the bill is to require trustees to approve all personnel actions, all materials

purchases, all program presentations and hands-on oversight of capital projects, the cost of the resultant delays in providing library services would severely hamper the library's ability to perform its mission.

Officials from the **Douglas County Public Library** state according to the Douglas County Clerk, the financial impact to the Douglas County Public Library would be \$1,000 - \$2,000 per election. The library is operating on a one mill tax (\$.10), and this is a lot of money for the library to part with every two years.

Officials from the **Festus Public Library** state the current nine-member Board of Trustees is appointed by the Mayor and elected City Council members at no cost. If HB 2498 were to go into effect, the library would be required to pay for its share of each annual municipal election. After conferring with the County Clerk, it is estimated that the direct annual cost to the library would be around \$20,000. For context, the current service population is 12,874 and the operation budget was \$402,979 for FY23.

Officials from the **Gentry County Library** assume a cost between \$16,000 and \$19,000. There are 4,492 people that are served in the library district. There is a staff of 4. The cost for this proposal would mean making drastic cuts to programing, to collection development, to building maintenance, and every other part of the library's function. Gentry County Commissioners have been elected by the taxpayers of Gentry County and are trusted to handle the appointment of the library board members. Currently, a public board of trustees has the fiduciary responsibility for the public library. They hire and oversee the work of the library director. Asking a board of trustees to, for all intents and purposes, to replace the library director is an enormous expansion of trustee duties.

Officials from the **Henry County Library** assume a cost of \$13,000 for each election if the election of library board members is the only item on the ballot according to the Henry County Clerk's office.

Officials from the **Jefferson County Library** serve a population of 135,000 with 4 branches in the largest communities of the district. Even though November elections are already on the calendar, a library would still have to share the cost of being placed on the ballot. According to the county clerk, placing trustee elections on the November ballot (Presidential or mid-term) would have an estimated cost share that could be between \$60,000 and \$145,000. While the library has a \$7 million operating budget, a biannual expense of this size would be difficult to absorb. Library trustees are appointed by local elected officials.

Oversight inquired Jefferson County Library to get clarification if the cost is every two years (biennial) instead of biannual. Oversight will assume the cost is every two years until clarification is resolved.

Officials from the **Joplin Public Library** state the current service population is 48,784 and the 2023 operating budget was \$2,500,000. Currently the nine-member Board of Trustees is appointed by elected City Council members at no cost. Should HB2498 go into effect, the library would be required to pay for its share of each annual municipal election. The county clerk estimated the library's share of the cost of placing trustees on the ballot during a November election to be \$14,434 (if the State pays a reimbursement portion) or \$26,847 (if the State does not pay a reimbursement portion) per election.

Additional costs related to filing required paperwork with the County Clerk's office, requesting attorney consultations on ballot language are estimated to cost \$1,000 a year in administrative hours and attorney fees. Trustee terms would be reduced from three years to two, and this would increase the amount of administrative time required each year to onboard incoming individual library trustees. In addition to adding new administrative responsibilities to the library in terms of election paperwork, the board orientation process in which trustees learn about their responsibilities as a library trustee is estimated to cost the library \$1,000. In summary, total estimated direct costs related to HB2498 could be as much as \$28,847 or as low as \$16,434.

Officials from the **Little Dixie Regional Libraries** state the library in north central Missouri. The regional library covers two counties and are located in Randolph and Monroe. According to the Monroe County Clerk, the estimated impact at each November election (at every other year) would be approximately \$2,600. Randolph County could expect it to be well over \$5,000. There could also be costs associated with training trustees for the library, administration costs, and other associated issues that could be up to \$2,000. Currently, the ten member board (five from each county as by state statute) is selected by the County Commissioners at no cost. It is estimated having elections for library trustees will cost the library at least \$10,000 if not more when there is no cost there currently.

Officials from the **Livingston County Library** has a current service population of 14,557 serving rural North Central Missouri residents, taxpayers and patrons. Currently the five-member Board of Trustees is appointed by an elected County Commission at no cost or burden to the taxpayers. This is a part of their duties to the taxpayers who elected them to office reflecting the social, cultural, and political values of their districts. This measure would be overreach by the State if this bill were approved. (<http://www.livingstoncountymo.com/commissioners.htm#douglas>)

Should HB2498 go into effect, the library would be required to pay for the library's share of election expenses according to election laws. (RSMo 115.063) After speaking with the Livingston County Clerk, the estimated direct annual cost to the library would range from \$10,000 to \$30,000 dependent on the other political entities' elections and other ballot measures brought forth to the voters/taxpayers. If the election were to be held in November, as outlined in the HB2498 in the general election, some state reimbursement should be calculated. There is no known information to base an estimate at this time for the November's general election state reimbursement because of the varying factors involved. Additional costs related to filing required paperwork with the County Clerk's office, requesting attorney consultations on ballot language and disputes over election results would cost the library an estimated \$2,000 a year in

administrative hours and attorney fees. The bill, if approved, would also reduce the trustee terms from 4 years to 2 years. Additionally, if this bill were approved, it removes the consideration of successive terms of Library Trustees. This would mean the Library Board of Trustees Bylaws would need to be amended. This would add more administrative hours estimated at \$200.

Officials from the **Maplewood Public Library** state according to the St. Louis County Board of Elections, each election is estimated to cost Maplewood Public Library \$7,650. To put this into prospective, \$7,650:

- is more than the total amount spent on books, movies, and music CDs over the course of two months
- is 64% of the annual maintenance budget
- is greater than the entire budget for children's programming.

Officials from the **Mercer County Library** state the library services a population of 3,538. According to the County Clerk's Office, the cost of an election in November would be \$12,700 with the library absorbing the cost.

Officials from the **Mexico-Audrain County Library** state the library is currently a nine-member board made up of citizens from the city of Mexico and Audrain County. The board is appointed by elected City Council members and elected County Commissioners, according to the current statute for a city-county library board RSMo 182.291.1. The members can serve a term of three years; their current terms are for 3 years and they can serve up to a total of nine years. Terms currently start in July. According to the Audrain County Clerk, the cost to the library would be dependent on how big the election would be and how many other taxing entities had a question on the ballot. Since the library is countywide, the estimated cost to the library district would be \$5,000 – 10,000 per election.

Officials from the **Mid-Continent Public Library** assumes a general election cost for the district between \$500,000 and \$700,000 every two years depending on what other ballot measures will share in those expenses. The library has its own mill levy for the district and the levy would pay for the election costs. The library does anticipate sharing costs with the state and county, but does not have an estimate of what those shared costs could be. The library is basing this estimate off of the last time the library held a general election in 2017 with a ballot initiative and what the various election boards charged the library.

Officials from the **Mississippi Library District** assume a cost of \$13,241 every 2 years for this proposal.

Officials from the **Putnam County Public Library** state after speaking to the local county clerk, the cost of the election of board members would cost the library \$4,160 per election year. This additional charge would have to come from the combined budgets of books, supplies and equipment which is currently at \$58,000. This would have a considerable impact on the services the library that would be able to provide to the rural community.

Officials from the **Rock Hill Public Library** states the St. Louis County (in which Rock Hill is located) Election Board Director of Elections states that "As currently written, this legislation would require library boards to be elected in even-numbered year November elections...Based on past November elections, the cost of placing something on the ballot would probably be in the range of \$1.00-\$1.50 per active registered voter." Rock Hill is a small municipality of about 4700 residents, 3427 of which are currently registered to vote. The expected cost, then, would be somewhere in the range of \$3,427-\$5,140 every other year - and possibly more on the years when the ballot issue would coincide with larger elections such as the presidential. The upper end of this estimate is well over the FY24 programs budget, and about half of the FY24 book budget. Additional costs to consider would include the ongoing time to encourage candidates to run, train them once elected, and repeat that process every two years.

Officials from the **Rolla Public Library** assume an estimated cost (if no other items are on the ballot) of \$15,000. This amount was provided by the City of Rolla's CFO.

Officials from the **Rolling Hills Consolidated Library** state the library is a consolidated library serving two counties (Andrew & Buchanan) in northwest Missouri. Currently the library's eight-member Board of Trustees is appointed by elected County Commissioners in two counties (four from each county) at no cost to the library. Should HB 2498 go into effect, the library would be required to pay for its share of each scheduled election. It is unclear from the bill whether terms would be staggered so an election is needed every year or if all library board members would be elected at the same time.

After a review of previous election costs with the County Clerks, the estimated direct cost to the library would be anywhere from \$30,000 to \$50,000 per election. There is no way to determine what exact costs would be because costs are shared among all entities with issues on the ballot. There is no state reimbursement to libraries for ballot issues and this is already taken into account when county clerks calculate the share of election costs. Indirect costs include staff time orienting new board members, additional contact with county clerk offices, possible legal counsel, and any other required paperwork, estimated at \$500 per election. Total estimated direct and indirect costs related to HB2498 would be \$40,500 per election for our library district.

Officials from the **Scenic Regional Library** assume a cost of \$27,000 to \$35,000 for Warren County; \$20,000 for Gasconade County, and \$75,000 for Franklin County. While this library has a \$6 million operating budget, a biannual expense of \$122,000 to \$130,000 per year will be difficult to absorb.

Officials from the **Scotland County Memorial Library** assume a cost of \$3,808 to \$15,675 every 2 years. The upper end of the cost would be for a presidential election year. The cost is made up of election costs, training new board members every 2 years, handling paperwork and added responsibility of an election and printing new policy manuals every 2 years.

Officials from the **Sikeston Public Library** state the cost to conduct an April election each year to elect library board trustees would be at least \$4,000. This figure was provided by the Scott

County Clerk's office and assumes that other elections would be on the ballot at the same time. If other political subdivisions did not have enough filings to trigger an election, the costs could be higher. To put this cost into context -- \$4,000 equals two months of our spending on book purchases or 325 employee hours at minimum wage. This would impact the materials that are provided to patrons or the hours of service that are able to provide.

Officials from the **St. Louis County Library** state the current five-member Board of Trustees for the St. Louis County Library District is appointed by the St. Louis County Executive at no cost. Should HB2498 go into effect, the St. Louis County Library District would be required to pay for its share of each annual election. The St. Louis County Board of Elections provided an estimated direct annual cost for every public library district in St. Louis County. As the largest library district in the County, the cost to St. Louis County Library District would be \$541,903. There are additional indirect costs related to attorney fees and administrative costs associated with the election.

Officials from the **St. Charles City-County Library** state according to the Director of Elections, an election in St. Charles County costs approximately \$500,000. While it is unlikely the library trustee election would be the only thing appearing on the ballot, recent history shows entities bringing forward items for county-wide elections are typically charged \$100,000 to \$150,000. Given the provision in the bill that terms are for two years, implementation of this bill would likely cost the library \$100,000 to \$150,000 every two years and those dollars would be diverted from projects or initiatives that directly serve the public.

Further, Section 2 of the bill which articulates four areas for which the board has "final approval," would create a tremendous barrier to regular, daily operations. For example, if the board is to have "final approval" of "all current or prospective public library employees" as specified in (2), normal HR activities such as hiring and firing employees will grind to a halt. The same applies to each subsection of Section 2.

Officials from the **St. Joseph Public Library** state the library went to the voters in August 2017 and the cost of that election was \$41,797.31. The Buchanan County Clerk stated that a November election would cost the St. Joseph Public Library district \$10,000 - \$20,000, depending how many other taxing entities had a question on the ballot.

Officials from the **Stone County Library District** assume a cost of \$18,000 per election. To put that in perspective, that is approximately a quarter of the book budget each year. The library is limited in the number of funding opportunities available, which means that the library makes each dollar count, and put those dollars directly back into the communities in the form of educational programs, books and movies, internet access and more. In a small rural county the cost of elections would cause other areas of the budget to lose funding and the tax payers would receive fewer benefits from the library.

Officials from the **Washington Public Library** state the Franklin County Clerk's office estimates that the library's responsibility for the costs of a Library Board election to be between \$6,000 and \$8,000 per election.

Officials from the **Webb City Public Library** state the County Clerk's office estimates that the library's cost would be between \$4,000 and \$5,500, depending on what is on the ballot.

Officials from the **Willow Springs Public Library** state the Howell County Clerk's office estimates, using an April election as an example, a cost of \$20,000. This could vary widely depending on what else might be on the ballot. The library's entire operating budget for 2024 is only \$76,780. The potential election costs could consume more than 25% of the entire budget; every other year. For scale, we could end up spending 10x more on elections than on books for our patrons. Furthermore, the library, like others, already functions with board oversight of the director. The policy of Willow Springs Public Library (Article 8, Section 1) states: "The Board will appoint a Library Director who shall be the chief executive officer and the chief administrative officer of the Library on behalf of the Board and under its review and direction." The board is well-informed on staff, collection, and program decisions and already has - apart from state law - the authority to challenge them.

Oversight has put together the chart below representing the low and high cost for each public library's responses above. The chart is broken up into the costs for annual elections and elections held every 2 years. Oversight notes the legislation allows a new board of 5 members to be established if no current board exists or a current board can maintain their members, as long as, the number is odd. Oversight assumes from the responses above that annual costs would be incurred due to certain board members running for election in odd numbered years. Therefore, Oversight will reflect unknown costs that could exceed the following for this proposal:

FY25 (General Election Year) – \$2,221,216 (\$846,350 + \$1,374,866)

FY26 (Odd Numbered Year) – \$846,350

FY27 (General Election Year) – \$2,221,216 (\$846,350 + \$1,374,866)

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, counties and public libraries were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
PUBLIC LIBRARIES & LIBRARY DISTRICT FUNDS			
<u>Cost – election cost for board of trustees §182.951</u>	<u>(Unknown, could exceed \$2,221,216)</u>	<u>(Unknown, could exceed \$846,350)</u>	<u>(Unknown, could exceed \$2,221,216)</u>
ESTIMATED NET EFFECT ON PUBLIC LIBRARIES & LIBRARY DISTRICT FUNDS	<u>(Unknown, could exceed \$2,221,216)</u>	<u>(Unknown, could exceed \$846,350)</u>	<u>(Unknown, could exceed \$2,221,216)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill requires public libraries with the authority to levy or collect taxes to be governed by an elected public library board.

The board should consist of five members, and existing boards can maintain their current number of members, provided it is an odd number.

This bill specifies that elections for board members are to be held only on the general election day, with no primary elections for board members.

The bill specifies that board members serve a term of two years. The candidates must be at least 18 years old and should not have pled guilty to or been convicted of offenses prohibiting their presence in a public library. A candidate may declare a political party affiliation for the ballot, and those who don't will be listed as Independent.

This bill also requires the board to perform specific duties, including oversight and final approval or rejection of materials, personnel, events, and infrastructure projects related to public library facilities.

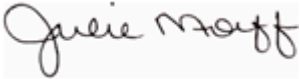
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

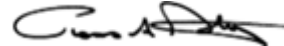
Bollinger County Library
Cape Girardeau Public Library
Centralia Public Library
Festus Public Library
Joplin Public Library
Livingston County Library
Mercer County Library
Mexico-Audrain County Library
Rolling Hills Consolidated Library
Scenic Regional Library
St. Louis County Library
Daniel Boone Regional Library
Douglas County Public Library
Gentry County Library
Henry County Library
Jefferson County Library
Little Dixie Regional Libraries
Maplewood Public Library
Mid-Continent Public Library
Mississippi Library District
Putnam County Public Library
Rock Hill Public Library
Rolla Public Library
Scotland County Memorial Library
Sikeston Public Library
St. Charles City-County Library
St. Joseph Public Library
Stone County Library
Washington Public Library
Webb City Public Library
Willow Springs Public Library
Office of Administration - Budget and Planning
Department of Revenue

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Kansas City
Office of the Secretary of State



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February 5, 2024



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February 5, 2024