

Colorado Legislative Council Staff Fiscal Note

STATE

REVISED FISCAL IMPACT

(replaces fiscal note dated February 13, 2012)

Drafting Number: LLS 12-0345

Date: March 13, 2012

Prime Sponsor(s): Sen. Shaffer B.
Rep. Kerr A.

Bill Status: Senate Appropriations

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TITLE: CONCERNING SUSPENSION OF PAYMENTS TO A MEMBER OF THE GENERAL ASSEMBLY IN THE EVENT THAT THE GENERAL ASSEMBLY FAILS TO PASS BILLS CRITICAL TO FINANCING GOVERNMENT OPERATIONS.

| Fiscal Impact Summary | FY 2012-2013 | FY 2013-2014 |
|--|---------------------|---------------------|
| State Revenue | | |
| State Expenditures General Fund | \$36,920 | |
| FTE Position Change | 0.4 FTE | |
| Effective Date: Upon signature of the Governor, or upon becoming law without his signature. | | |
| Appropriation Summary for FY 2012-2013: None required. | | |
| Local Government Impact: None. | | |

Summary of Legislation

As amended by the Senate State, Veterans, and Military Affairs Committee, the bill suspends all compensation and reimbursement of expenses otherwise allowed for all members of the General Assembly if the General Assembly fails to send to the Governor both the annual appropriation act (Long Bill) and the annual School Finance Act. The suspension of pay begins the first day of the interim following the end of any regular session of the General Assembly in which the aforementioned bills are not passed. Payments start again when said bills are presented to the Governor, or December 1 of the same year, whichever comes first. When payments are restarted, a member of the General Assembly is entitled to receive all suspended payments on the next regularly scheduled pay period. For information purposes, during the interim members receive their salaries and are entitled to \$99 per day for committee attendance, actual and necessary expenses, and legislative mileage for vehicle travel while attending to legislative business.

The bill also creates the Colorado On-time Budget Advisory Committee (committee) to:

- review the current state budget process and consider alternatives to the existing process;
- analyze the budget process in other states, including the processes used to ensure the timely passage of critical bills and including the suspension of legislators' pay;
- consider other alternatives to ensure the timely passage of critical bills by the Colorado General Assembly; and

- report its findings and recommendations to the Colorado General Assembly by January 1, 2013, and to the legislature's Joint Budget Committee and Finance committees by January 15, 2013.

The committee is comprised of 12 members, 8 appointed by legislative leadership and 4 appointed by the Governor. The committee is required to meet at least 6 times to execute its core duties. Prior to publishing a final report, the committee is required to hold three additional public meetings in locations throughout the state. Staff assistance may be provided by the Office of Legislative Legal Services and Legislative Council Staff. The committee is repealed effective July 1, 2013, and is subject to sunset review.

State Expenditures

The bill establishes an advisory committee and requires some modification to payroll systems. These impacts are described below.

Advisory Committee. Although the bill, as amended, is silent regarding compensation for the legislative members of the committee, Section 2-2-307, C.R.S., authorizes members who attend interim committees that are authorized by law to receive \$99 per day and reimbursement for all actual and necessary travel and subsistence expenses for attending meetings. This fiscal note uses the sum of \$88 per day for actual and necessary expenses, bringing total reimbursement for the legislative members of the committee to \$187 per meeting. Non-legislative members are eligible for reimbursement only for the \$88 for necessary and actual expenses.

The legislature is budgeted each year with resources to support a limited number of interim committees of the General Assembly. Funding is available for five committees during the 2012 interim; however, two interim studies authorized during the 2011 legislative session will carry on through FY 2012-13. These multi-year studies were authorized by Senate Bill 11-111 (the task force to address the provision of educational services to support students' academic success) and SB11-200 (the Colorado Health Benefit Exchange Act). As a result, current funding is available in FY 2012-13 for only three additional interim committees or task forces that require legislative staff support. If SB12-019 is designated by the Legislative Council to be one of the prioritized committees, no additional appropriation will be required.

If this advisory committee is not designated by the Legislative Council to be one of the prioritized committees, or if the costs of this advisory committee are not included in the budgeted amount, the Legislative Branch will incur additional costs of **\$36,920 and 0.4 FTE** in FY 2012-13 to support the advisory committee, as shown in Table 1.

| Table 1. Expenditures Under SB 12-019 | |
|---|-------------------|
| Cost Components | FY 2012-13 |
| Personal Services <i>Researcher (0.3 FTE) and Staff Attorney (0.1 FTE)</i> | \$20,288 |
| Legislator Per Diem and Expenses (8 members*\$187*9 meetings) | 13,464 |
| Non Legislative Member Expenses (4 members*\$88*9 meetings) | 3,168 |
| TOTAL | \$36,920 |

Payroll systems. The bill will increase the workload in Legislative Council and in the Department of Personnel and Administration, but not to the extent that will require any new appropriations. The impacts are discussed below.

Legislative Council. Members' health, life, and dental insurance policies are not subject to cancellation under the bill. As is true for any employee, when a member's share of a medical premium is larger than the member's paycheck, the member is required to pay his or her share of the contributions not covered by the paycheck. Under the bill, a member would have to pay the full employee portion of the premium to maintain coverage. Coverage is cancelled if a payment is not received within the grace period designated by rule.

The General Assembly's centralized accounting function resides in the Legislative Council. This fiscal note assumes that members who participate in the state's health plan will make the necessary monthly payments to maintain coverage. This increase in the central accounting office's workload will be absorbed within existing appropriations.

The hold harmless provision of the bill requires members to be paid in full once the appropriations bill and school finance bills are forwarded, or on December 1, whichever comes first, thus, it may affect the timing of payments to members, but not the overall amount paid. In the event that the withholding spans two fiscal years, expenses will be charged to the proper fiscal year.

Department of Personnel and Administration (DPA). Health plans are administered by the DPA. Although Legislative Council will collect health plan premiums, related data input and tracking at DPA will increase the DPA's workload. Legislative Council's accounting unit will work with the department to track and properly account for the payment of members' health benefit premiums.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

| Table 2. Expenditures Not Included Under HB12-1284* | |
|--|-------------------|
| Cost Components | FY 2012-13 |
| Employee Insurance (Health, Life, Dental, and Short-term Disability) | \$2,452 |
| Supplemental Employee Retirement Payments | 1,082 |
| TOTAL | \$3,534 |

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

If the committee is prioritized by the Legislative Council and included as part of the Legislative Branch budget for FY 2012-13, no appropriation is required. If not, the bill requires a General Fund appropriation of \$36,920 and 0.4 FTE to the Legislative Branch in FY 2012-13.

Departments Contacted

Personnel and Administration

PERA

Legislative Council