


Colorado Legislative Council Staff Fiscal Note
STATE
REVISED FISCAL IMPACT
 (replaces fiscal note dated April 23, 2013)

Drafting Number: LLS 13-0245	Date: May 2, 2013
Prime Sponsor(s): Rep. Ferrandino Sen. Steadman	Bill Status: Legislative Council
	Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING CHANGES TO THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" OF 2010.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures		
General Fund	\$89,971	\$59,589
FTE Position Change	0.3 FTE	0.3 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

As amended in the Senate State, Veterans, and Military Affairs Committee, the bill modifies the SMART Act and the legislative interim committee process.

SMART Act hearings with state agencies will be held between November 1 and the start of the session, instead of the first weeks of the legislative session. Each agency will be assigned to a committee of reference and joint committees of reference must conduct annual hearings. The joint committees must meet at least once in even-numbered years and twice in odd-numbered years, starting in 2013.

Interim committees will be designated by the Legislative Council prior to the end of the legislative session, following requests made by individual legislators to study particular issues. Bills and resolutions to create interim committees will no longer be allowed. The bill requires that the Director of the Legislative Council Staff inform the Executive Committee each year how many interim committee meetings may be held within the legislative budget. If approved by the Legislative Council, each committee may appoint up to 2 task forces, with each task force including 2 members of the committee. Task force members serve without compensation of any kind, but legislators serving on a task force are eligible for reimbursement of travel expenses.

Finally, the bill changes the strategic planning requirements to require that departments prepare performance plans and performance evaluations that the JBC may use to prioritize requests for new funding that enhance productivity, improve efficiency, reduce costs, and eliminate waste. Amendments adopted in the House of Representatives clarify how the requirements apply to the Department of Higher Education and state institutions of higher education.

Background

The SMART Act was first established under HB 10-1119. It set forth new performance-based budgeting requirements for state agencies and implemented a new role in state budgeting for legislative committees of reference.

Under current law, the 18-member Legislative Council is responsible for prioritizing interim studies. The Legislative Department is currently budgeted to support several committees established in statute, including 4 additional committees in 2013, of which 3 were prioritized on April 26, 2013.

State Expenditures

The bill modifies the SMART Act and the legislative interim committee process, increasing state expenditures in the Legislative Branch as shown in Table 1. SMART Act functions that remain unchanged are not discussed here.

Table 1. Expenditures Under HB 13-1299		
Cost Components	FY 2013-14	FY 2014-15
Personal Services (Staff Support for SMART Act Hearings)	\$15,127	\$15,127
FTE	0.3	0.3
Per Diem and Expense Reimbursement for SMART Act Hearings	74,844	37,422
Expense Reimbursement for Interim Committee Task Forces	0	7,040
TOTAL	\$89,971	\$59,589

Legislature. The bill requires that Joint Committees of Reference meet each year, changes the process for establishing interim committees, and allows for up to 2 task forces associated with each interim committee. The costs shown in Table 1 are based on the following assumptions:

- 9 Joint Committees of Reference will meet each year to hold SMART Act hearings, once each in even-numbered years and twice each in odd-numbered years;
- the bill will not affect the total number of interim committee meetings or the overall level of staff assistance required for interim committees;

- the Legislative Council will approve 20 task force meetings, with 2 legislators serving on each task force; and
- staff support for the 9 Joint Committees of Reference is roughly equivalent to the staff support provided to an interim committee (0.3 FTE); and
- legislative staff will not support any task force.

Legislators are eligible for per diem and expense reimbursement for attending SMART Act hearings and interim committees. On average, these costs total \$198 per member per meeting. Legislators are not eligible for per diem for attending task force meetings, but they are eligible for reimbursement for travel expenses. Travel expenses average about \$88 per member per meeting.

State Agencies. The bill modifies some requirements for state agencies, including the Judicial Branch, to prepare strategic and performance plans and other information, report to the legislature, and publish information online. It also changes the timing of SMART Act hearings. Overall, these changes are not expected to affect state expenditures.

State Appropriations

The Legislative Department requires a General Fund appropriation of \$89,971 in FY 2013-14 and an allocation of 0.3 FTE.

Departments Contacted

All Departments