



# STATE FISCAL IMPACT

**Drafting Number:** LLS 13-0245**Date:** April 15, 2013**Prime Sponsor(s):** Rep. Ferrandino  
Sen. Steadman**Bill Status:** House SVMA**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
<b>State Revenue</b>		
<b>State Expenditures</b> General Fund, Cash Funds, and Other Funds	No net change. See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> None.		

## Summary of Legislation

This bill repeals, reenacts, and amends the SMART Act, and establishes 7 standing interim committees to replace certain other interim committees. The 7 standing interim committees and their respective oversight responsibilities are as follows:

- **Education:** preschool through postsecondary education, including basic adult education;
- **Health Care and Human Services:** health, health care, human services, and insurance;
- **Judiciary and Criminal Justice:** children and domestic matters, civil law, corrections, youth corrections, criminal law and procedure, juvenile law, and probate and trusts;
- **Science and Energy:** agriculture, livestock, natural resources, public utilities, and energy;
- **Finance and Business:** state and local government finance, taxation, business, labor and industry, professions and occupations, and economic development and tourism;
- **State and Local Government and Military Affairs:** elections, state departments and agencies, state and local government, Public Employees' Retirement Association, Fire and Police Pension Association, and military and veterans affairs; and
- **Transportation:** transportation and motor vehicle and traffic regulation.

The committees will meet as determined by the legislature's Executive Committee. They are charged with developing policy recommendations and reviewing agency performance plans and regulatory agendas. In addition, individual legislators may request that particular issues be studied.

The Legislative Council will review and prioritize requests made by members and, if approved, assign such requests to the appropriate standing interim committee. If approved by the Executive Committee, the committees must also consider any policies that were requested to be studied by the Joint Budget Committee (JBC), the Legislative Audit Committee, or the Office of State Planning and Budgeting.

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. The Executive Committee then designates which of the standing interim committees will meet during the upcoming interim and, within the budget, how many meetings each committee may hold. The rotation of committees must ensure that each committee meet at least once every 3 years.

The bill repeals the Transportation Legislation Review Committee (TLRC) and the Police Officers' and Firefighters' Pension Reform Commission and reassigns the work of those entities to the new committees. It also repeals the annual SMART hearings at the commencement of each legislative session. Finally, it 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.

## **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, and up to 4 additional committees in 2013 that have not yet been prioritized. The Legislative Council is scheduled to meet on Friday, April 26, to prioritize 2013 interim studies.

## **State Expenditures**

The bill modifies the SMART Act and the legislative interim committee process, but state expenditures in the aggregate are not expected to change. SMART Act functions that remain unchanged are not discussed here.

**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. Overall, the bill is not expected to affect state expenditures significantly.

***Legislature.*** The bill establishes 7 standing interim committees and specific responsibilities for each committee. It also repeals the TLRC and a pension reform commission and reassigns the work of those entities to the new committees. For 2013, the bill requires that all prioritized bills creating other interim studies must be postponed indefinitely and the tasks reassigned to one of the new standing interim committees.

It is assumed that the bill will not affect the total number of meetings held during the interim, or the overall level of staff assistance required for interim committees. This assumption is based on the fact 2 interim committees are repealed, none of the 4 interim studies budgeted for 2013 have been set, and the number of meetings is limited to those that can be supported within the legislative budget.

Each committee may appoint up to 2 task forces to study specific policy issues and give advice to the committee. Task force members serve without compensation of any kind. This fiscal note assumes that legislative staff will not provide staff support to any task force, although a task force may accept a donation of in-kind services from a nonprofit organization in fulfilling its duties.

## **Departments Contacted**

All Departments