



**Colorado
Legislative
Council
Staff**

HCR16-1001

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1041
Prime Sponsor(s): Rep. Lundeen

Date: June 21, 2016
Bill Status: Postponed Indefinitely
Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: MODIFY OPERATIONS OF THE GENERAL ASSEMBLY

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue				
State Expenditures	<u>at least</u> <u>(\$540,050)</u>	<u>at least</u> <u>(\$270,250)</u>	<u>at least</u> <u>(\$540,050)</u>	<u>at least</u> <u>(\$270,250)</u>
General Fund	at least (\$540,050)	at least (\$270,250)	at least (\$540,050)	at least (\$270,250)
FTE Position Change			Potential FTE reduction.	
Appropriation Required: None.				
Future Year Impacts: Ongoing expenditure decrease.				

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill refers a ballot question to voters changing the operations of the state legislature. The referred measure will appear on the ballot for the election to be held November 8, 2016. If approved by voters, the measure:

- decreases the length of the regular session of the state legislature from 120 days each year to 90 in even-numbered years and to 60 days in odd-numbered years;
- limits the number of bills and resolutions that a legislator may introduce to two bills and two resolutions in any regular legislative session, excluding bills for appropriations, bills recommended by legislative committees, and resolutions dealing with adjournment and transactions of business between the House and Senate;
- allows both chambers of the legislature to create a restrictive process to authorize an exemption from the specified bill and resolution limits; and

- implements a biennial state budget cycle beginning in FY 2018-19 and specifies the process for considering the general appropriation bill. The process includes the Joint Budget Committee dividing the appropriations bill by subject matter for consideration by the committees of reference in each chamber. Committees may not increase funding for any agency or institution.

Background

The constitution currently requires that the state legislature convene no later than the second Wednesday in January. Legislative sessions may not exceed 120 days. Rules established by the Senate and House of Representatives generally limit the number of bills that a legislator may introduce to five bills in any legislative session, with some exceptions.

State Expenditures

The bill reduces state expenditures by at least \$540,050 in odd-numbered years beginning in FY 2016-17 and at least \$270,250 in even-numbered years beginning in FY 2017-18.

If approved by voters, the concurrent resolution reduces workload for the legislative and executive branches of state government, and increases election costs for local and state government. All fiscal impacts are conditional, dependent on the resolution's approval by voters in the November 2016 election. The bill specifies that the biennial budget process begins in FY 2018-19, but the fiscal note assumes that the bill's other provisions would go into effect in FY 2016-17.

Legislative Department. The state legislature maintains a permanent staff of non-partisan employees, including economists, budget, research, and fiscal analysts, auditors, attorneys, computer programmers, and administrative staff for the two houses of the legislature, spread across six service agencies. The resolution both shortens the length of the legislative session and reduces the number of bills that may be introduced by a legislator. Service agency workload is anticipated to decrease by an amount equivalent to approximately 5.0 FTE; however, the actual reduction in workload and the specific service agencies impacted will depend on how restrictive the process is for members to request permission to introduce more than two bills.

To the extent that the state legislature considers fewer bills each year, drafting, analysis, and committee work are all reduced simultaneously; however, there is not a direct correlation between the number of bills considered and the workload of each service agency. For example, the Office of Legislative Legal Services provides many services in addition to drafting bills for members. As such, a reduction in the number of bills does not automatically translate to a reduced workload for that service agency.

Adjustments to appropriations for the legislative service agencies will not be necessary until the 2018 legislative session. At that time, the service agencies will make any necessary reductions through the new biennial budget setting process.

Beginning in FY 2016-17, the reduced length of each legislative session will reduce state expenditures for legislator travel and per diem. Travel and per diem expenses are expected to be reduced by about \$540,000 in odd-numbered years and \$270,000 in even-numbered years.

Executive Branch. The resolution changes the timing and workload for executive branch agencies. Similar to legislative service agencies, reducing the number of bills and the length of the legislative session will reduce workload for the Executive Branch. Some agencies will respond to fewer requests for information related to the preparation of fiscal notes, monitor and respond to less legislation, or provide less testimony or expert assistance in the deliberation of bills. However, even though the total number of bills is reduced, the total number affecting any given agency may still be substantial in any given year. The measure is likely to require a reduction in budget staff, which will be addressed by each agency through the regular budget process.

There will also likely be an added cost to make the necessary programming changes to the computer and software systems used by several executive branch agencies. The systems need to be adjusted to account for the biennial budget process, any corresponding change to contracting and purchasing cycles, and the difference between the new biennial state budget cycle and annual federal grant and state reporting cycles. The work will initially be accommodated within existing resources and any additional appropriations will be addressed through the budget process.

Election expenditure impact. The bill includes a referred measure that will appear before voters at the November 2016 general election. Although no additional appropriation is required in this bill to cover election costs associated with this ballot measure, certain election costs to the state are appropriated as part of the regular budget process. First, state law requires that the state reimburse counties for costs incurred conducting a ballot measure election, paid from the Department of State Cash Fund. Second, the text and title of the measure must be published in one legal newspaper per county and an analysis of the measure must be included in the Ballot Information Booklet (Blue Book) mailed to all registered voter households prior to the election paid from the Ballot Analysis Revolving Fund. As of this writing, there will be at least one citizen-initiated measure on the ballot at the 2016 election, which will trigger the ballot costs shown in Table 1 below for a single ballot measure. Costs in 2016 will increase by approximately \$100,000 per measure beyond this base amount for any additional referred or initiated measures placed on the ballot.

Cost Component	Amount
County Reimbursement for Statewide Ballot Measures	\$2,400,000
Ballot Information Booklet (Blue Book) & Newspaper Publication	\$670,000
TOTAL	\$3,070,000

Local Government Impact

The bill will likely reduce the workload for local governments to respond to fewer requests for information related to the preparation of fiscal notes, monitor and respond to less legislation, and provide less testimony or expert assistance in the deliberation of bills. The amount of the workload reduction will differ among jurisdictions.

Effective Date

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on April 13, 2016.

State and Local Government Contacts

All Departments