



**Colorado
Legislative
Council
Staff**

HCR17-1001

FISCAL NOTE

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

Drafting Number: LLS 17-0847

Date: April 7, 2017

Prime Sponsor(s): Rep. Lundeen

Bill Status: House SVMA

Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: MODIFY OPERATIONS OF THE GENERAL ASSEMBLY

| Fiscal Impact Summary | FY 2017-2018 | FY 2018-2019 | FY 2019-2020 | FY 2020-2021 |
|---|--------------|--------------------------|-------------------------|-------------------------|
| State Revenue | | | | |
| State Expenditures* | | at least (\$555,500) | at least (\$277,025) | at least (\$555,500) |
| General Fund | | at least (\$555,500) | at least (\$277,025) | at least (\$555,500) |
| FTE Position Change | | Potential FTE reduction. | | |
| Appropriation Required: None. | | | | |
| Future Year Impacts: Ongoing expenditure and potential FTE decreases. | | | | |

**Other fund sources may be impacted; see the State Expenditures section.*

Summary of Legislation

This concurrent resolution 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 6, 2018. If approved by voters, the measure will:

- decrease the length of the regular session of the state legislature from 120 days to 90 days in even-numbered years and 60 days in odd-numbered years;
- limit the number of bills and resolutions that a member of the General Assembly may introduce to two bills and two resolutions in any regular legislative session, excluding bills for appropriations and bills recommended by committees;
- allow both chambers of the General Assembly to create a restrictive process to authorize an exemption from the specified bill and resolution limits; and
- implement a biennial state budget cycle beginning in FY 2020-21 and specify the process for considering the general appropriations 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. Regular 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

If approved by the voters, the bill reduces state expenditures by at least \$555,500 in odd-numbered years beginning in FY 2018-19 and by at least \$277,025 in even-numbered years beginning in FY 2019-20.

If approved by voters, the bill reduces workload for the Legislative and Executive branches of state government, and increases election costs for local and state governments. All fiscal impacts are conditional, dependent on the resolution's approval by voters in the November 2018 election. The resolution specifies that the biennial budget process begins in FY 2020-21, but the fiscal note assumes that the bill's other provisions would go into effect in FY 2018-19.

Legislative Department. The state legislature maintains a permanent staff of non-partisan employees, including economists, budget analysts, research analysts, fiscal analysts, auditors, attorneys, computer programmers, and administrative staff, 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, Legislative Council Staff provides many services besides staffing committees of reference or writing fiscal notes. The office prepares quarterly economic and tax revenue forecasts, provides staff support and research for legislators and interim committees, and writes the Blue Book voter guide for all referred and initiated ballot measures. 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 budget process.

Beginning in FY 2018-19, 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 decrease by \$555,500 in odd-numbered years and \$277,025 in even-numbered years. These expenses are based on FY 2016-17 expenses and prorated for the decreased length of session under this bill.

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, will monitor and respond to fewer bills, or will 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. Any savings will likely be a combination of General Fund, cash funds and Federal funds, but this fiscal note does not estimate this breakout of funds.

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 appropriations, and any additional appropriations will be requested through the budget process.

Election expenditure impact (existing appropriations). This bill includes a referred measure that will appear before voters at the November 2018 general election. Although no additional appropriation is required in this bill, certain election costs are incurred by the state when ballot measures are referred to voters. These costs, paid using existing appropriations, are in two areas. First, current law requires the state to reimburse counties for costs incurred conducting a ballot measure election, paid from the Department of State Cash Fund in the Secretary of State's Office. 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, paid from the Ballot Analysis Revolving Fund in the Legislative Department. Table 1 estimates the costs for a single ballot measure in 2018. These costs 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 | \$2,700,000 |
| Ballot Information Booklet (Blue Book) and Newspaper Publication | 700,000 |
| TOTAL | \$3,400,000 |

Local Government Impact and Statutory Public Entity

If approved by the voters, the bill will likely reduce the workload for local governments to respond to fewer requests for information related to the preparation of fiscal notes, to monitor and respond to fewer bills, and to provide less testimony or expert assistance in the deliberation of bills. The amount of the workload reduction will differ among jurisdictions and has not been estimated.

Effective Date

The bill takes effect after the date of the official declaration of the vote by proclamation of the Governor, not later than 30 days after the votes have been canvassed.

State and Local Government Contacts

All State Agencies