

SENATE SUBCOMMITTEE REPORT ON HOUSE BILL NO. 2676
FY 1989 APPROPRIATIONS BILL FOR LEGISLATIVE BRANCH AGENCIES

Sections Pertaining to:

Section 2 -- Commission on Interstate Cooperation

Section 3 -- Legislative Coordinating Council

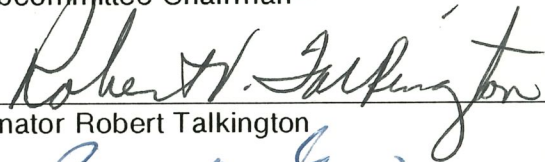
Section 4 -- Legislature

Section 5 -- Division of Post Audit

Section 6 -- Prohibiting Expenditures for Capitol Area
Master Plan Implementation



Senator August Bogina, Jr.
Subcommittee Chairman



Senator Robert Talkington



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Legislature and Related Agencies Bill No. 2676 Bill Sec. All

Analyst: Ahrens Analysis Pg. No. 171 Budget Pg. No. 1-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations -- All Funds			
Commission on Interstate Cooperation	\$ 177,019	\$ 177,416	\$ (56)
Legislative Coordinating Council:			
Council Expenses	259,241	268,192	1,553
Legislative Research Department	1,517,634	1,572,166	3,406
Revisor of Statutes	1,883,087	1,923,224	272
Educational Planning Committee	41,703	42,104	--
Legislature	7,527,342	7,938,291	(280,344)
Division of Post Audit	1,386,600	1,418,426	(79,635)
TOTAL	<u>\$ 12,792,626</u>	<u>\$ 13,339,819</u>	<u>\$ (354,804)</u>
State Operations:			
State General Fund	<u>\$ 12,682,512</u>	<u>\$ 13,229,705</u>	<u>\$ (338,938)</u>
FTE Positions	114.0	114.0	--

Agency Request/Governor's Recommendation

FY 1988. As approved by the Legislative Coordinating Council, FY 1988 revised budgets for legislative branch agencies were submitted which in total are \$240,619 below the amounts authorized by the 1987 Legislature, including reappropriations. The revised budget of the Legislature includes the estimated \$247,054 cost of the 1987 Special Session. The Governor's Budget Report reflects revisions which are a total of \$50,511 less than the agency revised estimates. The Legislature's budget is reduced by \$55,021 and its related agencies' budgets are increased by a net of \$4,510. Apparently, the Governor's revisions were intended to accomplish two general purposes: (1) to adjust agency budgets for the 6.8 percent increase to the FY 1988 state-paid health insurance premium; and (2) to adjust budgets for FICA payments to reflect a reduction in the FICA salary base resulting from the federal IRS ruling that the state "pickup" of the employee's KPERs contribution is to be deducted from that base beginning in calendar year 1987. In the process of computing the intended adjustments, errors were made in the application of fringe benefit rates to these budgets which understate some costs and overstate others. The major error occurred with respect to understatement by \$131,082 of the employer's retirement contributions in the Legislature's budget.

FY 1989. The combined FY 1989 budget requests for the Legislature and its related agencies total \$12,682,512. As directed by the LCC, the legislative agencies did not include any amounts for further changes to the basic salary

plan but did include the cost of step increases for those employees who are paid in accordance with the present pay plan. One additional position is requested for FY 1989, a senior performance auditor for the Division of Post Audit. The Governor concurs with the basic agency budget requests for FY 1989 with the following changes based on policy recommendations: (1) the addition of \$400,000 to the Legislature's budget which is attributed to a recommended statutory change in legislator retirement benefits; (2) the financing for a 4 percent general increase to staff salaries and legislators' per diem compensation; and (3) a further increase of 10.9 percent to state-paid health insurance premiums. In accomplishing the latter two recommendations, errors were made in the calculations of fringe benefits which understate some costs and overstate others, as in FY 1988. In all, the Governor's recommendation is \$547,193 above the requested budgets.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989, with the following adjustments:

1. Pending enactment of the necessary legislation, delete the \$400,000 added for FY 1989 which is attributed to increasing legislator retirement benefits.
2. Based upon the request of the Chairman of the Joint Committee on Post Audit, delete \$81,950 from the FY 1989 budget of the Division of Post Audit to reflect a revised estimate of the cost of contracted financial compliance audits (\$66,084 General Fund, \$15,866 Audit Services Fund).
3. Adjust recommendations for salaries and wages in FY 1988 and FY 1989 to correct various miscalculations, mainly in fringe benefits. Such miscellaneous adjustments affect the expenditure estimates for FY 1988 and FY 1989, as summarized below. No FY 1988 appropriation act is required.

	<u>FY 1988</u>	<u>FY 1989</u>
Legislature	\$46,787	\$119,656
Legislative Coordinating Council	--	1,553
Legislative Educational Planning Committee	--	--
Interstate Cooperation Commission	(31)	(56)
Legislative Research Department	(2,981)	3,406
Revisor of Statutes	(3,167)	272
Legislative Division of Post Audit	(1,571)	2,315
TOTAL MISCELLANEOUS	<u>\$ 39,037</u>	<u>\$ 127,146</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

The House Committee of the Whole added a new Section 6 which provides that no moneys appropriated for fiscal years 1988 or 1989 to any state agency shall be expended for any implementation of the Capitol Area Master Plan until such plan has been approved by adoption of a concurrent resolution or by enactment of an appropriations act. The State Finance Council is barred from taking any action to implement the master plan. No expenditure changes result from the floor amendment.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations -- All Funds			
Commission on Inter- state Cooperation	\$ (56)	\$ 177,360	\$ 4,000
Legislative Coordinating Council:			
Council Expenses	1,553	269,745	--
Legislative Research Department	3,406	1,575,572	--
Revisor of Statutes	272	1,923,496	--
Educational Planning Committee	--	42,104	--
Legislature	(280,344)	7,657,947	--
Division of Post Audit	(79,635)	1,338,791	--
TOTAL	<u>\$ (354,804)</u>	<u>\$12,985,015</u>	<u>\$ 4,000</u>
State Operations: State General Fund	\$ (338,938)	\$12,890,767	\$ 4,000
FTE Positions	--	114.0	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House adjustments with the following changes:

1. Addition of \$4,000 to the General Fund appropriation for the Commission on Interstate Cooperation for the purpose of paying the state's share of the cost of operating the State and Local Legal Center. The Center was founded through participation of the National Conference of State Legislatures, the Council of State Governments, the National Governor's Association, the National League of Cities, the U.S. Conference of Mayors, and the National Association of Counties. The Center files briefs on behalf of the participating organizations in cases before the U.S. Supreme Court involving issues of concern to such organizations. The states and local governments are asked to participate in the financial support of the Center.

2. Deletion of the floor amendment pertaining to the implementation of the Capitol Area Master Plan. Present law adequately serves the exercise of legislative authority over any such implementation by restricting the expenditure authority of state agencies, by providing for review by the Joint Committee on Building Construction, and by limiting the delegation of authority to the State Finance Council to act on such matters.

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