

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: House Bill 627 (First Edition)

SHORT TITLE: Study Efficiency and Cost Savings/State Govt.

SPONSOR(S): Representatives Crawford and Blackwell

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
REVENUES					
EXPENDITURES	\$12,312	\$24,624	\$0	\$0	\$0
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina General Assembly					
EFFECTIVE DATE: Effective when the bill becomes law					

BILL SUMMARY:

House Bill 627 would establish a the Joint Legislative Efficiency and Cost-Savings in State Government Study Commission (Commission) composed of 5 members of the Senate appointed by the President Pro Tempore, and 5 members of the House appointed by the Speaker. The Commission would be tasked to use a zero-based budgeting review process to study whether there are obsolete programs, cost-reduction opportunities, and cases where funds can be redirected to meet new and changing demands for public services. This bill would require any agency under review to identify decision units and divide each unit into specified minimum, reduced, current, and enhanced decision packages, and requires an interim report to the 2012 Regular Session of the 2011 General Assembly and a final report to the 2013 General Assembly.

SOURCE: Bill Digest (04/05/201)

ASSUMPTIONS AND METHODOLOGY:

House Bill 627 authorizes the Commission to meet at any time upon the call of the Chairs until the Commission files its final report or upon the convening of the 2013 General Assembly. The bill directs the Commission to issue an interim report to the 2012 Regular Session of the 2012 General Assembly and a final report to the 2013 General Assembly.

Fiscal Research assumes that the Commission would begin meeting in the 2011 Interim as early as September 2011. This assumption provides the potential for at least 8 monthly meetings with the last meeting scheduled by April 2012 to meet the interim report requirement. Fiscal Research also assumes that the Commission would resume its meetings in September 2012. This assumption provides the potential for at least 4 additional monthly meetings with the last meeting scheduled by December 2012 to meet the final report requirement. In total, Fiscal Research assumes that the Commission would hold at least 12 meetings.

HB 627 provides that 10 legislative members serve on the Commission. If 10 legislative members were to conduct business in 12 meetings, the estimated cost for subsistence, travel expenses, and in-house clerical support would be \$36,936 (see Table 1 below). This cost is apportioned between four meetings in FY 2011-12 at a cost of \$12,312 and 8 meetings in FY 2012-13 with a cost of \$24,624. Section 2 of the bill allows the Commission to contract for professional, clerical, or consultant services. However, this estimate does not include an allowance for special travel and expenses or other ancillary costs.

Description	Cost
Legislative Members' Subsistence	\$18,720
Travel	\$8,400
In-House Clerical Support	\$9,816
TOTAL	\$36,936

SOURCES OF DATA: Fiscal Research

TECHNICAL CONSIDERATIONS: None

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