

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6303

BILL NUMBER: SB 123

DATE PREPARED: Apr 8, 1999

BILL AMENDED: Apr 8, 1999

SUBJECT: Legislative study commissions and committees.

FISCAL ANALYST: Beverly Holloway

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Legislative Commissions and Committees:* This bill establishes a fixed number of specified legislative study committees effective January 1, 2000. It requires a legislative study to be assigned to one of the legislative study committees.

A legislative study committee consists of 12 members, six appointed from each house of the General Assembly and equally divided between the political parties. The President Pro Tempore and the Speaker of the House of Representatives may each appoint two additional legislative, and two additional lay members to a study committee. The 12 members of a legislative study committee must be appointed from the standing committees that have subject matter jurisdiction over the subject matter of the study. The chairman and vice chairman of the Legislative Council must each appoint an equal number of chairs and vice chairs of interim study committees each year.

This bill provides general procedures for the operation of a legislative study committee. The study committee structure expires January 1, 2002.

This bill repeals existing statutory study committees except for the Regulatory Flexibility Committee and the Code Revision Commission.

Lake Michigan Marina Development Commission: This bill provides that the Lake Michigan Marina Development Commission has three legislative members.

Statement of Economic Interests: This bill provides that a legislator's statement of economic interests is not required to include a report of purchases made after December 31, 1998 by a lobbyist from the legislator's retail business made in the ordinary course of business at prices that are available to the general public.

PERF: This bill provides that the valuation of PERF members' annuity savings accounts that are invested

in an alternative investment program must be done at least quarterly. (Current law requires the valuation to be done annually.)

When a member participating in an alternative investment program transfers the amount credited to the member from one alternative investment program to another alternative investment program or to the guaranteed program, the amount credited to the member is valued at the market value of the member's investment, as of the day before the effective date of the member's selection. (Current law provides that it is valued as of the last day of the preceding quarter.)

When a member participating in the guaranteed program transfers the amount credited to the member to an alternative investment program, the amount credited to the member in the guaranteed program is computed without regard to market value and is based on the balance of the member's account in the guaranteed program as of the last day of the quarter preceding the effective date of the transfer.

This bill provides that annuity savings account contributions to the alternative investment programs: (1) shall be invested as of the last day of the quarter in which the contributions are received; and (2) begin to accumulate interest at the beginning of the quarter after the quarter in which the contributions are received. The bill provides that contributions to the alternative investment programs shall be invested as of the last day of the quarter in which the contributions are received.

Effective Date: (Amended) January 1, 1999 (retroactive); Upon passage; July 1, 1999; January 1, 2000.

Explanation of State Expenditures: (Revised) *Legislative Commissions and Committees:* This bill establishes 18 permanent legislative study committees and repeals 31 statutory committees. The following committees are established: (1) Agricultural and Rural Issues; (2) Children, Families and Human Affairs; (3) Commerce and Economic Development; (4) Courts and Criminal Code; (5) Education; (6) Elections; (7) Financial Institutions; (8) Government Organization and Planning; (9) Health; (10) Insurance; (11) Judiciary and Civil Law; (12) Labor and Pensions; (13) Natural Resources; (14) Public Policy; (15) Environment; (16) Roads and Transportation; (17) State and Local Government Affairs; and (18) Tax and Finance.

A legislative study committee consists of 12 members, six appointed from each house of the General Assembly and equally divided between the political parties. With the consent of the chair and vice-chair of the Legislative Council, the President Pro Tempore and the Speaker of the House of Representatives may each appoint two additional legislative, and two lay members to a study committee. The Legislative Services Agency reviewed statutory and interim study committee/commission information for 1997. Based upon this information, in 1997, the average number of committee appointments for each Senate member was 9 and the average number of committee appointments for each House member was 6. Under the provisions of this bill, the average number of committee appointments for each Senate member will be 2 and for each House member 1. This average would increase if the President Pro Tempore and the Speaker of the House of Representatives each appoint two additional members to a study committee.

Members of the committees are entitled to per diem and mileage reimbursement. The Legislative Services Agency will provide staff support for these committees. The study committees would be funded from the Legislative Council budget appropriation. Committee expenditures depend on the number of meetings held during the interim. In CY 1998 \$299,500 was budgeted and \$120,782 was actually spent for statutory and interim study committees and commissions.

The following committees, commissions, and programs are repealed: (1) Commission on Interstate

Cooperation; (2) Commission on State Tax and Financing Policy; (3) Natural Resources Study Committee; (4) Pension Management Oversight Commission; (5) Probate Code Study Commission; (6) Water Resources Study Committee; (7) Administrative Rules Oversight Committee; (8) Census Data Advisory Committee; (9) Commission on Military and Veterans Affairs; (10) Health Finance Commission; (11) Public Finance Study Commission; (12) Indiana Commission on Autism; (13) State Fair Advisory Committee; (14) Commission on Courts; (15) Child Custody and Support Advisory Committee; (16) Commission on Mental Health; (17) Central State Advisory Committee; (18) Commission Mental Retardation and Developmental Disabilities; (19) Managed Care Study; (20) Local Government Finance Study Commission; (21) Legislative Evaluation and Oversight Policy (currently includes the Agricultural Matters Evaluation Committee, the Family and Social Services Evaluation Committee, and the Human Resources/Economic Security Matters Evaluation Committee); (22) Property Tax Study Committee; (23) Indiana Lakes Work Group; (24) Environmental Quality Service Council; (25) Rail Corridor Safety Committee; (26) Northwest Indiana Commuter Rail and Transportation Study Committee; (27) Mutual Insurance Study Committee; (28) Workforce Development Study Committee; (29) County Government Study Commission; (30) Select Joint Committee on Medicaid Oversight; and (31) Probation Services Study Committee.

Lake Michigan Marina Development Commission: This bill provides that the Lake Michigan Marina Development Commission has three legislative members. The legislative members are entitled to receive the same per diem, mileage, and travel allowance paid to members of the General Assembly serving on interim study committees established by the Legislative Council. Effective January 1, 1999, the per diem paid to legislative members is \$112 per day and mileage is \$0.28 per mile. If the Commission met monthly, per diem costs for each legislator would equal \$1,344. Travel costs would depend on the distance traveled by each legislator. Assuming that each legislator lived within 50 miles of the Commission meeting, annual travel reimbursement for each legislator would not exceed \$350. The total impact of adding three legislators to the Commission is estimated to be a maximum of \$4,382.

Statement of Economic Interests: This provision has no fiscal impact.

PERF: These provisions may result in additional administrative expenditures, but they are expected to be minimal. The fund affected is the PERF Employer Earnings Fund. The remaining provisions of this bill regarding PERF will have no fiscal impact on the Funds.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency; Legislative Council; PERF Board.

Local Agencies Affected: Lake Michigan Marina Development Commission.

Information Sources: Legislative Services Agency. Doug Todd of McCready & Keene, Inc., actuaries for PERF, (317) 576-1508.