

LEGISLATURE

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	2023-25 Legislature	2023-25 Act 19	Act 19 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$179,703,600	\$180,858,400	\$179,293,900	\$179,293,900	\$179,293,900	-\$409,700	- 0.2%
PR	<u>4,893,000</u>	<u>5,241,800</u>	<u>5,241,800</u>	<u>5,241,800</u>	<u>5,241,800</u>	<u>348,800</u>	7.1
TOTAL	\$184,596,600	\$186,100,200	\$184,535,700	\$184,535,700	\$184,535,700	-\$60,900	0.0%

FTE Position Summary						
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	2024-25 Legislature	2024-25 Act 19	Act 19 Change Over 2022-23 Base
GPR	758.17	761.17	763.17	763.17	763.17	5.00
PR	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>0.00</u>
TOTAL	777.97	780.97	782.97	782.97	782.97	5.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$894,700	-\$1,345,800	-\$451,100
PR	<u>110,800</u>	<u>0</u>	<u>110,800</u>
Total	\$1,005,500	-\$1,345,800	-\$340,800

Governor: Adjust base funding by \$429,300 GPR and \$52,900 PR in 2023-24 and \$465,400 GPR and \$57,900 PR in 2024-25. Adjustments are for: (a) turnover reduction (-\$1,009,300 GPR annually); (b) full funding of continuing position salaries and fringe benefits (\$1,100,600 GPR and \$57,800 PR annually); (c) reclassification and semiautomatic pay progression (\$6,900 PR in 2023-24 and \$9,700 PR in 2024-25); and (d) full funding of lease and directed moves costs (\$338,000 GPR and -\$11,800 PR in 2023-24 and \$374,100 GPR and -\$9,600 PR in 2024-25).

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3%

to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard adjustment by -\$672,900 annually. Reallocate the GPR funding provided for full funding of lease and directed moves cost as shown in the following table.

	<u>Change to Base</u>		<u>Change to Bill</u>	
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
Legislative Reference Bureau	\$103,600	\$114,600	\$103,600	\$114,600
Legislative Audit Bureau	75,400	83,500	75,400	83,500
Legislative Fiscal Bureau	59,700	66,000	59,700	66,000
Legislative Council	47,700	52,800	47,700	52,800
Legislative Technology Services Bureau	38,400	42,500	-299,600	-331,600
Legislative Human Resources Office	<u>13,200</u>	<u>14,700</u>	<u>13,200</u>	<u>14,700</u>
Totals	\$338,000	\$374,100	\$0	\$0

2. LEGISLATIVE RECORDS RETENTION

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$218,700	1.00	-\$218,700	-1.00	\$0	0.00

Governor: Provide \$97,000 in 2023-24 and \$121,700 in 2024-25 and 1.0 position beginning in 2023-24 for the Legislative Technology Services Bureau to administer new requirements that would make records and correspondence of any member of the Legislature part of the definition of a public record.

Remove the exception for a legislator's records and correspondence from the definition of a "public record." Under current law, the Public Records Board prescribes policies and standards for the retention and disposition of public records made or received by a state officer or agency. Currently, records and correspondence of any legislator are not subject to the Board's overview.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

3. MEMBERSHIP DUES IN NATIONAL ASSOCIATIONS [LFB Paper 106]

GPR	\$26,400
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Governor/Legislature: Provide \$8,700 in 2023-24 and \$17,700 in 2024-25 for dues to national associations. Funding is for dues to the National Conference of State Legislatures, National Conference of Commissioners on Uniform State Laws, and National Conference of Insurance Legislatures. Funding for membership dues is supported by a sum sufficient appropriation with base funding totaling \$294,500 annually.

4. ACTUARIAL STUDIES

GPR	\$15,000
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Governor/Legislature: Provide \$15,000 in 2023-24 for the Joint Legislative Council contractual studies biennial appropriation to conduct actuarial studies approved by the Joint Survey Committee on Retirement Systems, the Joint Committee on Finance, or the presiding officer of either house of the Legislature. The appropriation has no base funding.

5. ACTUARIAL AUDIT SERVICES

PR	\$223,000
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Governor/Legislature: Provide the Legislative Audit Bureau \$25,000 in 2023-24 and \$198,000 in 2024-25 of one-time funding to contract for actuarial audit services that may be required in order to gain audit evidence under accounting standards issued by the Governmental Accounting Standards Board. In general, program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services. Under the bill, funding to procure these services would be provided to the Department of Employee Trust Funds.

6. PEER REVIEW OF FINANCIAL AUDITS

PR	\$15,000
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Governor/Legislature: Provide \$15,000 in 2024-25 to support the peer review of all financial audits required once every three years. In accordance with government auditing standards, at least once every three years, the Legislative Audit Bureau is subject to a required external peer review. The last completed review was in September, 2021, with the next such review scheduled for September, 2024. Program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services.

7. LEGISLATIVE HUMAN RESOURCES OFFICE POSITIONS

	<u>Governor (Chg. to Base) Positions</u>	<u>Jt. Finance/Leg. (Chg. to Gov) Positions</u>	<u>Net Change Positions</u>
GPR	2.00	3.00	5.00

Governor: Provide 2.0 positions for the Legislative Human Resources Office (LHRO) to be funded by the Office's existing appropriation, which has base funding of \$1,404,400 GPR. Create statutory language that would codify the Office as a nonpartisan service agency. Duties of the Office would include: (a) providing human resources services to the legislative branch, as directed by the Joint Committee on Legislative Organization (JCLO); and (b) establishing a formal complaint process to review and investigate allegations of harassment, discrimination, retaliation, violence, or bullying by legislators, legislative employees, and legislative service agency employees. Require the Office to investigate all such allegations, unless the Director designates another person or entity to review and investigate any specific allegation.

Create a Director of the Office with the following duties: (a) report to JCLO; (b) direct the operations of the staff; (c) employ, train, and supervise the personnel assigned to the Director; (d)

supervise all expenditures of the Office; (e) manage reviews and investigations of the formal complaint process and upon completion of an investigation, report the findings to the appropriate legislative leader or employee supervisor; and (f) on a periodic basis, recommend to JCLO improvements to human resources services and programs. Further, include statutory language assigning the Director of the Office to executive salary group six, which effective January 1, 2023, has an annual pay range of \$100,069 to \$165,131. Specify that the Director would set the salaries of the other employees, and that the Director and staff would be part of the unclassified service.

The LHRO and its duties and those of the agency's Director were created by unanimous vote of JCLO on February 25, 2020. This provision codifies the LHRO into Chapter 13 of the statutes.

Joint Finance/Legislature: Include provision, authorize 5.0 positions rather than 2.0 positions and specify that the LHRO would have all the rights and privileges pertaining to human resources records as are enjoyed by executive branch agencies, including under current employment relations law governing closed records for the civil service and state law pertaining to public records.

Veto by Governor [F-48]: Delete the provision that would have specified that the LHRO would have all the rights and privileges pertaining to human resources records as are enjoyed by executive branch agencies.

[Act 19 Sections: 17 thru 19, 190, 191, and 431]

[Act 19 Vetoed Section: 19]

8. JOINT COMMITTEE ON FINANCE PASSIVE REVIEW OBJECTIONS

Governor: Require that if a member of the Joint Committee on Finance objects to an item before the Committee under passive review, the name of each objecting member and their reason for the objection would be recorded and made publicly available.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

9. JOINT REVIEW COMMITTEE ON CRIMINAL PENALTIES REPORTS

Governor: Require any introduced bill that creates a new crime or revises a penalty for an existing crime be referred to the Joint Review Committee on Criminal Penalties and prohibit the Legislature from taking further action on the bill until the Committee prepares a report. Specify that these provisions would first apply to bills introduced on the effective date of the bill.

Under current law, if a bill is introduced that creates a crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report on the bill. The request must come from the chair of the standing committee to which the bill is referred or, if not referred to a standing committee, from the Speaker of the Assembly for an Assembly bill or the presiding officer of the Senate for a Senate bill. Upon such a request, the

Committee must prepare a report concerning the costs incurred or saved if the bill were enacted, the consistency of the penalties proposed with current law penalties, and whether the acts prohibited under the bill are already prohibited under current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

10. SENATE CONFIRMED PUBLIC OFFICE FIXED TERM VACANCIES

Governor: Modify current law governing how vacancies in public offices are caused to specify that if the office is filled by appointment by and with the consent of the Senate, then the office would be considered vacant when the incumbent's term expires, or if later, when the Governor submits his or her nomination for the office to the Senate.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

11. REPEAL JCLO REVIEW OF PROPOSED CAPITOL SECURITY CHANGES

Governor: Repeal a provision of 2017 Act 369 that requires the Department of Administration (DOA) to send notice to the Joint Committee on Legislative Organization (JCLO) of any proposed changes to security at the Capitol. The proposed changes are subject to a 14-day passive review process by JCLO. Current law specifies that if there is a risk of imminent danger, DOA may take any action necessary, and the cochairpersons of JCLO may review the action later if they determine such review is needed.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

12. ADVICE AND CONSENT OF THE SENATE FOR APPOINTMENTS

Governor: Repeal the provision of 2017 Act 369 which provides that, if an individual's confirmation for the office or position is rejected by the Senate, that individual may not hold the office or position, be nominated again for the office or position, or perform any duties of the office or position during the legislative session biennium.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

13. LEGISLATIVE INTERVENTION

Governor: Repeal the 2017 Act 369 provision which provides that the Legislature must be served with a copy of the proceedings in a legal action when a party to the action, as part of a claim or affirmative defense, challenges in state or federal court the constitutionality of a statute, facially

or as applied, challenges a statute as violating or preempted by federal law, or otherwise challenges the construction or validity of a statute. Further, repeal the provisions which provide that the Committee on Assembly Organization on behalf of the Assembly, the Committee on Senate Organization on behalf of the Senate, and Joint Committee on Legislative Organization (JCLO) on behalf of the Legislature may intervene as a matter of right at any time in all such actions.

Provide that if declaratory relief is sought, JCLO must be served with a copy of the petition and JCLO, the Senate Committee on Organization, or the Assembly Committee on Organization may intervene in proceedings in which the constitutionality, construction, or application of any provision of Chapters 13 (Legislature), 20 (state finance), 111 (employment relations), 227 (administrative procedure and review), or 230 (state employment) or subchapters I (general administration), III (finance), or IV (purchasing) of Chapter 16 (Department of Administration) or section 753.075 (reserve judges), or of any statute allowing a legislative committee to suspend, or to delay or prevent the adoption of, an administrative rule is placed in issue by the parties.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

14. RETENTION OF LEGAL REPRESENTATION FOR LEGISLATORS, LEGISLATIVE STAFF AND THE LEGISLATURE

Governor: Repeal 2017 Act 369 provisions and restore previous law with respect to the Legislature's retention of legal counsel. Act 369 provisions authorize the appointment of legal counsel other than from the Department of Justice (DOJ) for legislators or legislative staff if the acts or allegations underlying the action are arguably within the scope of the legislator's or employee's duties as follows:

a. For the Assembly, the Speaker of the Assembly may authorize a Representative or Assembly employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's appropriation. The Speaker is required to approve all financial costs and terms of representation.

b. For the Senate, the Senate Majority Leader may authorize a Senator or Senate employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Senate's appropriation. The Senate Majority Leader is required to approve all financial costs and terms of representation.

c. For an employee of a legislative service agency, the Co-Chairs of the Joint Committee on Legislative Organization (JCLO) may authorize an employee of a legislative service agency who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's or Senate's appropriations, as determined by the Co-Chairs. The Co-Chairs are required to approve all financial costs and terms of representation.

Further, the Assembly, Senate, or JCLO on behalf of the Legislature, are authorized to obtain legal counsel other than from DOJ, in any action in which these bodies are a party or in which the interests of these bodies are affected in a similar manner.

Prior to Act 369, Representatives to the Assembly and Senators, as well as legislative employees, could receive legal representation from DOJ in most legal proceedings. Assembly and Senate policies and practices also allowed legislators and legislative employees to retain outside legal counsel in some instances.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)

15. ADMINISTRATIVE RULES

Governor: Repeal statutory modifications made in 2017 Act 369 related to administrative rules including:

a. *Deference.* Modify the prohibition on a court from according deference to agency interpretations of law in certain proceedings, so that the prohibition would only apply to actions affecting a property owner's use of their property, if the agency action restricts the owner's free use of their property. Repeal the current prohibition on agencies seeking deference in any proceeding to agency interpretations of law.

b. *Rule-Making Authority for Federal Compliance Plans and Settlement Agreements.* Repeal the limitation that a settlement agreement, consent decree, or court order does not confer rule-making authority and cannot be used by an agency as authority to promulgate rules. Further, repeal the limitation that an agency may not agree to promulgate a rule as a term in any settlement agreement, consent decree, or stipulated order of a court unless the agency has explicit statutory authority to promulgate the rule at the time of the settlement agreement, consent decree, or stipulated order. Eliminate similar restrictions relating to compliance plans submitted to the federal government.

c. *Advisory Committees and Informal Consultations.* Repeal the requirement that whenever an agency appoints an advisory committee with respect to contemplated rule making, the agency submit a list of the members of the committee to the Joint Committee for Review of Administrative Rules.

d. *Suspension.* Repeal the ability of the Joint Committee for Review of Administrative Rules to suspend a rule multiple times.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)