

Mr. Speaker: I am instructed by the Senate to inform the Ho

Representatives that the Senate has taken up and passed

95 905 HB 1051

entitled:

AN ACT

To repeal sections 361.070, 361.080, and 513.653, RSMo, and to enact in lieu thereof four new sections relating to audits, with existing penalty provisions.

WITH SAZ, SA3; SA4

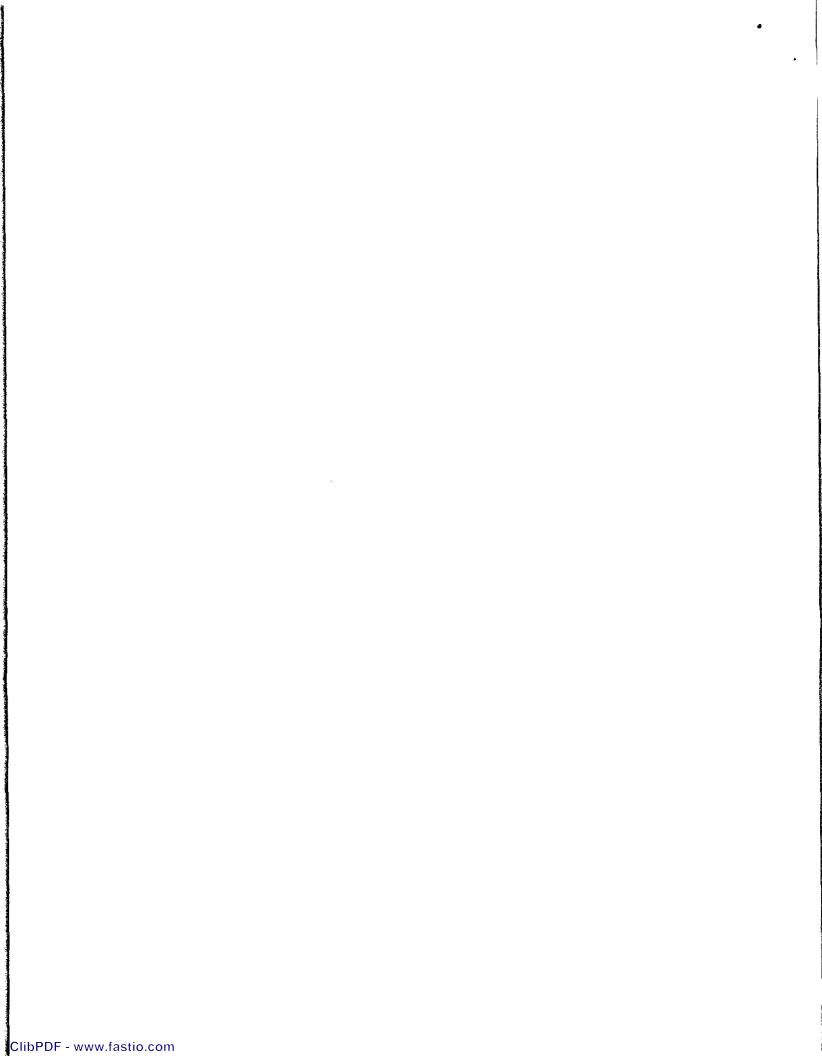
In which the concurrence of the House is respectfully requested.

Respectfully,

Terry L. Spieler

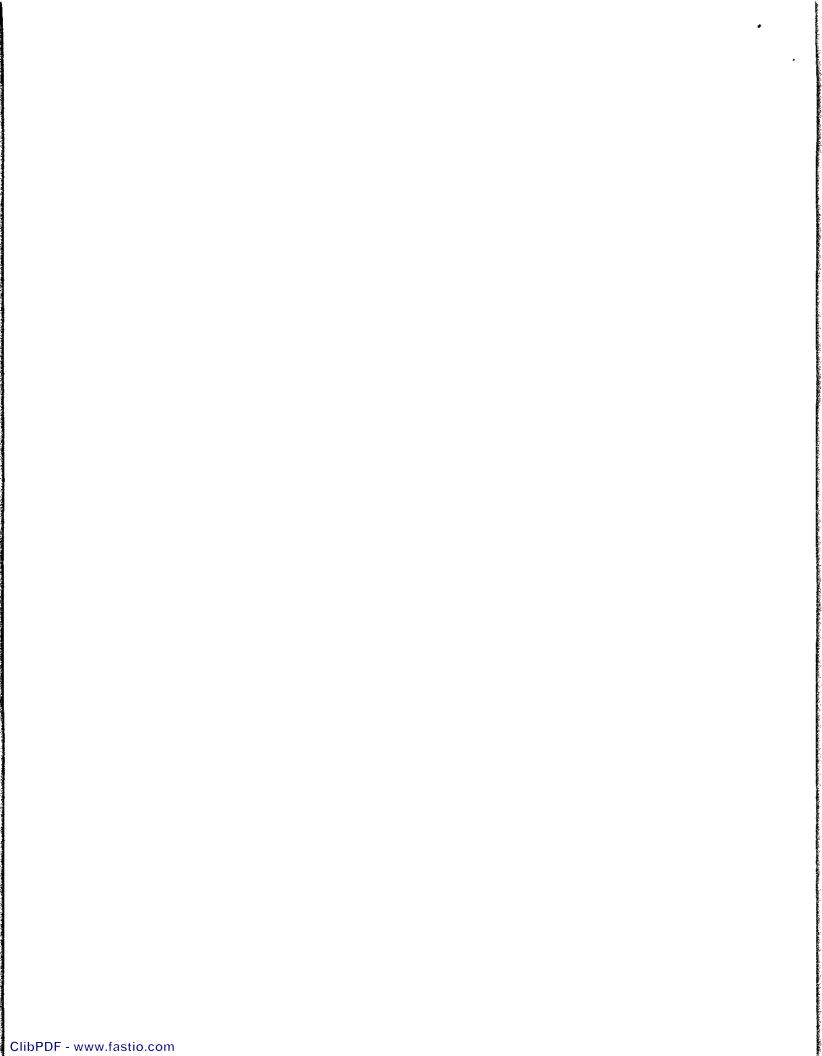
Secretary of the Senate

MAY 18 2012



SENATE AMENDMENT NO. _<

Offere	ed by UIVAN OF Greene
	SCS/House Bill No. 1051, Page 1, Section A, Line
2	by inserting immediately after said line the following:
3	"23.140. 1. Legislation, with the exception of
4	appropriation bills, introduced into either house of the general
5	assembly shall, before being acted upon, be submitted to the
6	oversight division of the committee on legislative research for
7	the preparation of a fiscal note. The staff of the oversight
8	division shall prepare a fiscal note, examining the items
9	contained in subsection 2 and such additional items as may be
10	provided either by joint rule of the house and senate or by
11	resolution adopted by the committee or the oversight
12	subcommittee.
13	2. The fiscal note shall state:
14	(1) The cost of the proposed legislation to the state for
15	the next two fiscal years;
16	(2) Whether or not the proposed legislation will establish
17	a program or agency that will duplicate an existing program or
18	agency;
19	(3) Whether or not there is a federal mandate for the
20	program or agency;
21	(4) Whether or not the proposed program or agency will have
22	significant direct fiscal impact upon any political subdivision
	appered 5.18-12 adapted 5-18-12



of the state;

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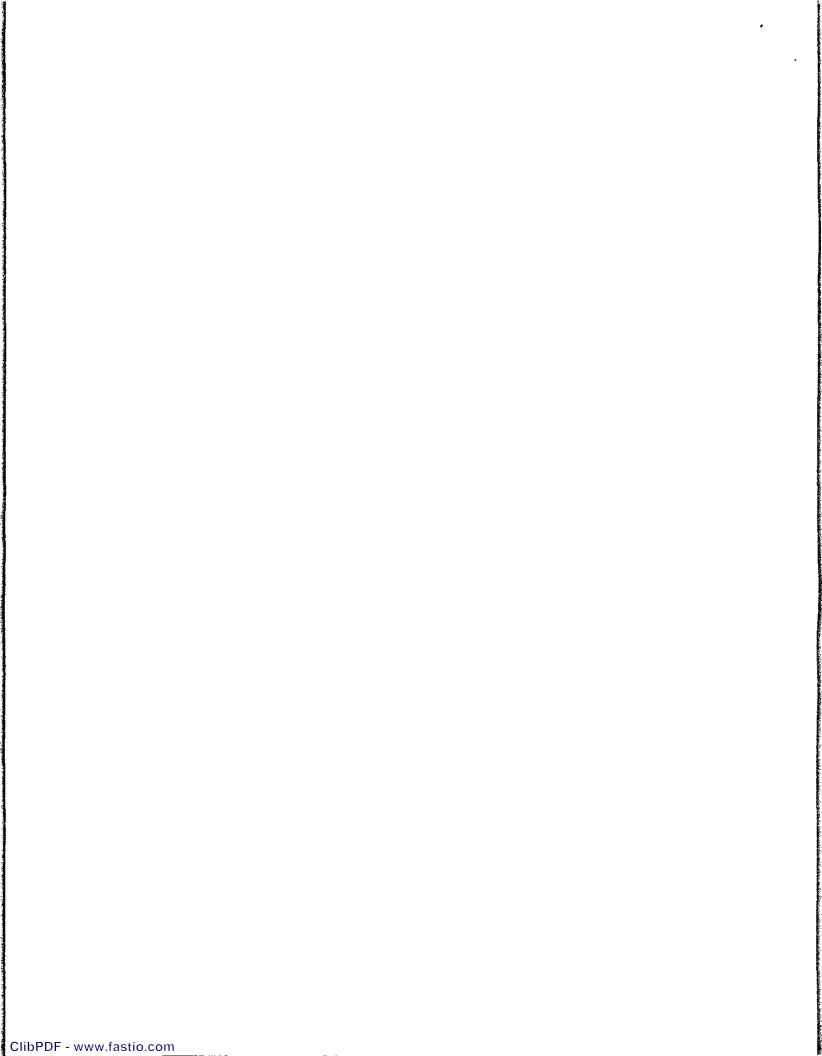
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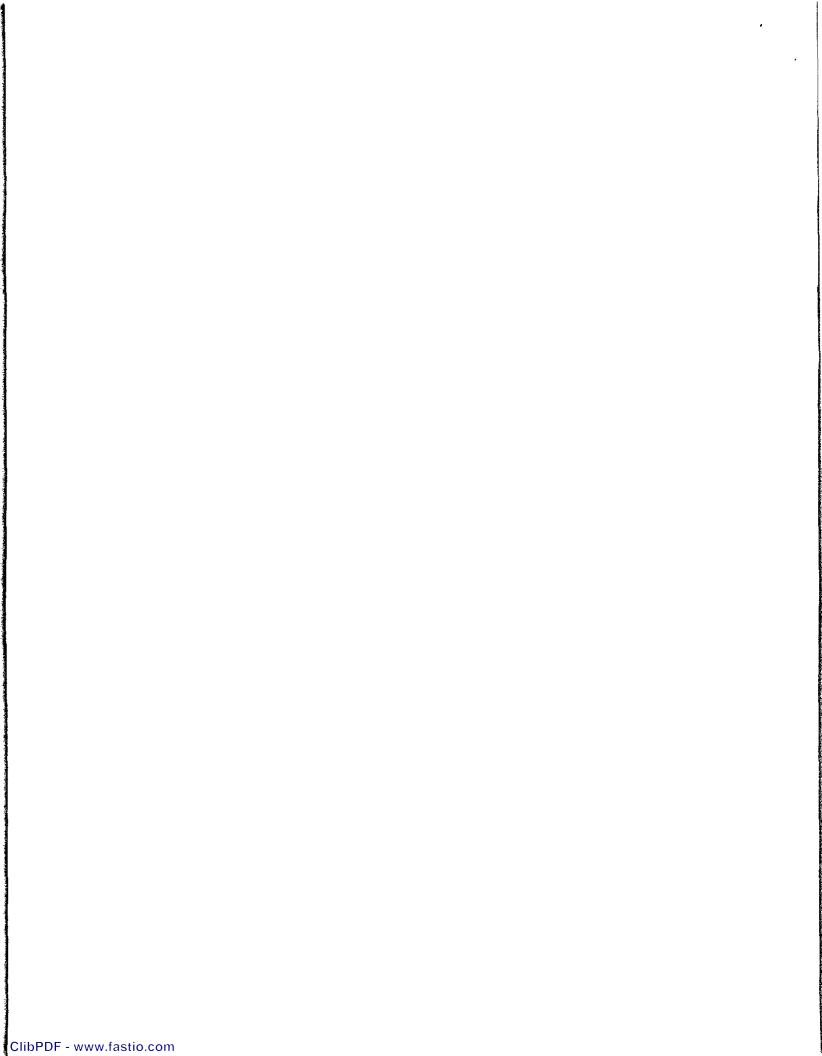
- (5) Whether or not any new physical facilities will be required; and
- (6) Whether or not the proposed legislation will have an economic impact on small businesses. For the purpose of this subdivision "small business" means a corporation, partnership, sole proprietorship or other business entity, including its affiliates, that:
 - (a) Is independently owned and operated; and
 - (b) Employs fifty or fewer full-time employees.
- The fiscal note for a bill shall accompany the bill throughout its course of passage. No member of the general assembly, lobbyist or persons other than oversight division staff members shall participate in the preparation of any fiscal note unless the communication is in writing, with a duplicate to be filed with the fiscal note or unless requested for information by the fiscal analyst preparing the note. Violations of this provision shall be reported to the chairman of the legislative research committee and subject the fiscal note and proposed bill to subcommittee review. Once a fiscal note has been signed and approved by the director of the oversight division, the note shall not be changed or revised without prior approval of the chairman of the legislative research committee, except to reflect changes made in the bill it accompanies, or to correct patent typographical, clerical or drafting errors that do not involve changes of substance, nor shall substitution be made therefor. Appeals to revise, change or to substitute a fiscal note shall be made in writing by a member of the general assembly to the chairman of the legislative research committee and a hearing



before the committee or subcommittee shall be granted as soon as possible. Any member of the general assembly, upon presentation of new or additional material, may, within three legislative days after the hearing on the request to revise, change or substitute a fiscal note, request one rehearing before the full committee to further consider the requested change.

The subcommittee, if satisfied that new or additional material has been presented, may recommend such rehearing to the full committee, and the rehearing shall be held as soon as possible thereafter.

- 4. The director of the division, hereinafter provided for, or the director's designees, shall seek information and advice from the affected department, division or agency of state government and shall call upon the research staffs of the house of representatives and of the senate, and upon the staffs of the house and senate appropriations committees for assistance in carrying out fiscal notes and [auditing functions and duties] evaluations of programs selected by the committee, during the interim, and each staff shall supply such information or advice as it [may possess] deems appropriate in response to the inquiry. The state auditor shall, upon request, cooperate and provide assistance in the conduct of audits and the preparation of reports made in connection therewith.
- 23.150. 1. The committee on legislative research shall organize an oversight division to prepare fiscal notes and to conduct [management audits and] program [audits] evaluations of state agencies, including program evaluations involving budget transparency and accountability. The committee may form a subcommittee of not less than six members to provide direct



- supervision of the personnel and practices of the division. The subcommittee shall consist of one-half of the members appointed by the [chairman] chair from the house which he or she represents and one-half of the members appointed by the vice [chairman] chair from the house which he or she represents.
- 2. Within the limits of the appropriations made for this division, the committee shall employ a director of the oversight division and other personnel as it deems necessary. The director shall be qualified by training and experience to conduct such [audits] evaluations, and he or she shall be directly responsible for those activities. The director of the oversight division, with the consent of the joint committee, may employ personnel necessary to carry out the duties prescribed in this chapter. Persons employed to work in the oversight division shall be professional persons possessing a wide knowledge and demonstrated expertise in governmental programming and financial planning, in conducting program review evaluations and analytic studies, and of federal, state, and local government budgetary processes, laws and regulations of the state of Missouri. [Office space, furniture and equipment formerly assigned to the committee on state fiscal affairs, and appropriations made therefor, shall be transferred to the committee on legislative research.]
- 23.160. 1. [As used in this chapter, the term "management audit" means a postaudit which determines, with regard to the purpose, functions, and duties of an audited agency:
- (1) Whether the agency is managing and utilizing its resources in an economical and efficient manner; and
- (2) Which identifies causes of inefficiencies or uneconomical practices including inadequacies in the use and

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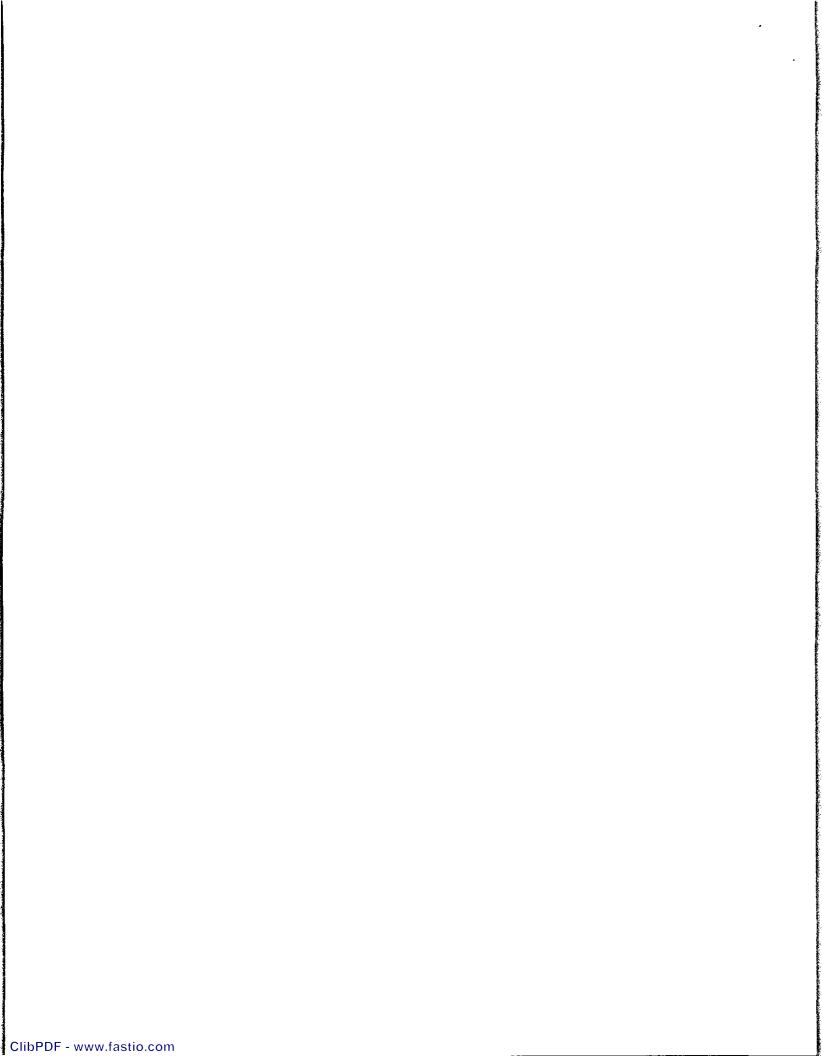
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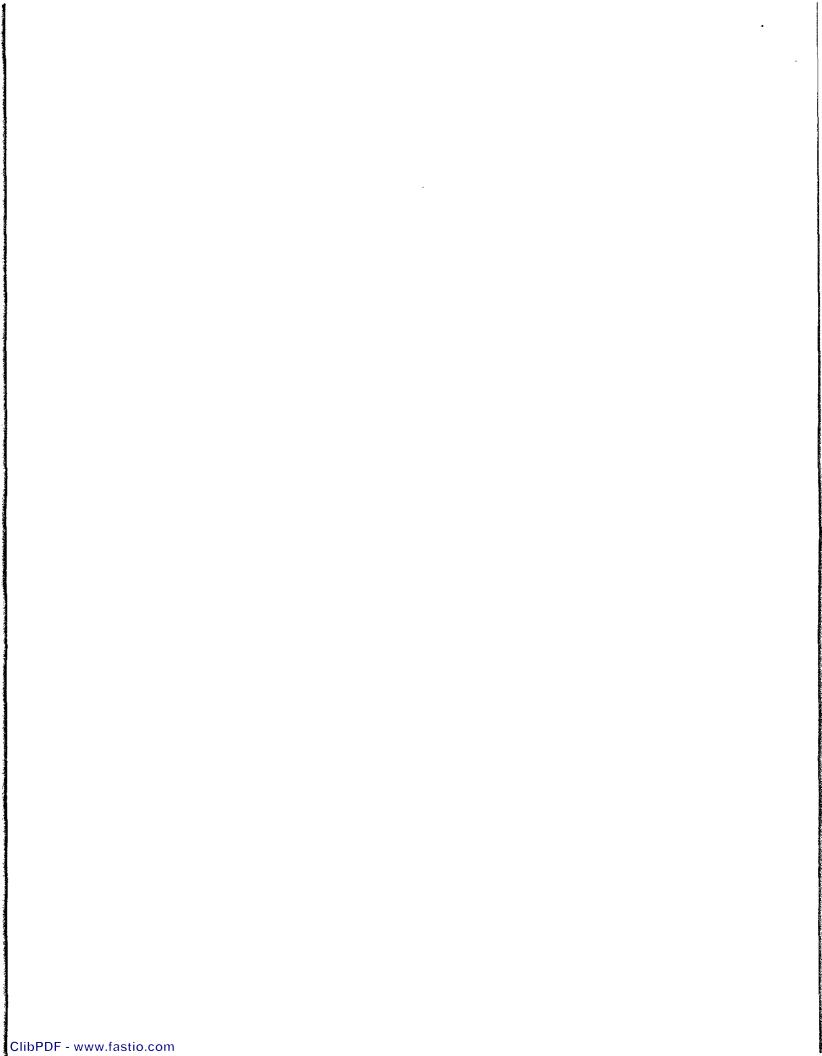
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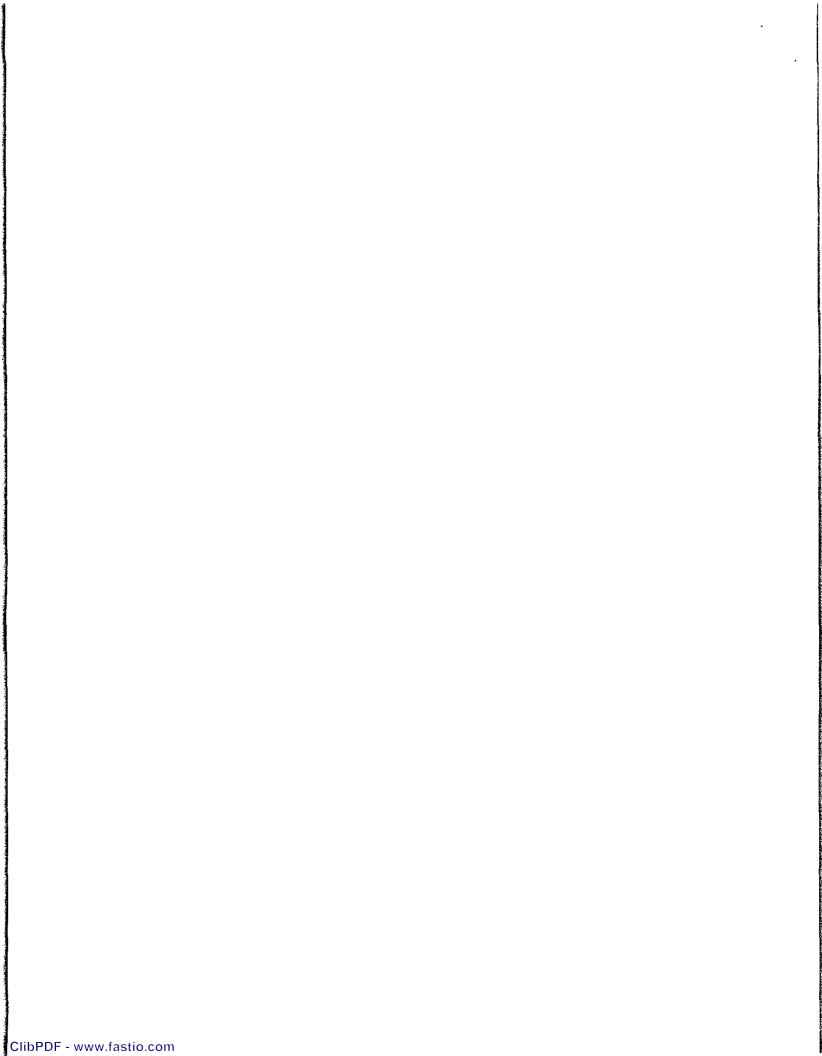


- management of information systems, internal and administrative procedures, organizational structure, use of resources, allocation of personnel, and purchasing policies.
 - 2.] As used in this chapter, the term "program [audit"] evaluation" means a [postaudit] study which determines and evaluates program performance according to program objectives, responsibilities, and duties as set forth by statute or regulation. Program [audits] evaluations, in accordance with generally accepted program evaluation standards, shall determine:
 - (1) Whether the program is being performed and administered as authorized or required by law, and whether this action conforms with statutory intent;
 - (2) Whether the objectives and intended benefits are being achieved, and whether [efficiently and effectively] the absence of such achievements suggest the need for correction or additional legislation;
 - (3) Benefits derived from any program in relation to the expenditures made therefor; and
 - (4) Whether the program duplicates, overlaps, or conflicts with any other state program. [A program audit may include determinations within the scope of a management audit to the extent necessary or appropriate to the conduct of a particular program audit.
 - 3.] 2. As used in this chapter, the term "resources" includes appropriated funds, federal funds, grants, and personnel, and also includes equipment and space, whether assigned, owned or leased.
 - [4.] 3. As used in this chapter, the term "agency" includes each department and office within the executive branch of

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- government and each identifiable unit thereof, including institutions of higher learning, and each identifiable unit of the legislative and judicial branches of government.
 - 23.170. 1. The oversight division of the committee on legislative research shall, pursuant to a duly adopted concurrent resolution of the general assembly, or pursuant to a resolution adopted by the committee on legislative research, conduct [management audits and] program [audits] evaluations of agencies as directed by any such resolution.
 - 2. The staff of any agency subject to a [management or] program [audit] evaluation shall fully cooperate with the staff of the oversight division and shall provide all necessary information and assistance for such an [audit] evaluation. All records of an agency, unless otherwise expressly declared by law to be confidential, may be inspected by the oversight division staff while conducting the [audit] evaluation, and the agency subject to the [audit] evaluation shall afford the oversight division staff with ample opportunity to observe agency operations.
 - 3. All [audits] evaluations shall be completed within one year unless an extension is authorized by the committee, but progress reports shall be made to the committee at least [monthly] guarterly. [The subcommittee supervising the oversight division shall meet monthly to review progress reports, hear requests for changes in fiscal notes, and provide supervision for the oversight division staff.]
 - 4. Any member of the general assembly and any committee of either house of the general assembly may submit requests for

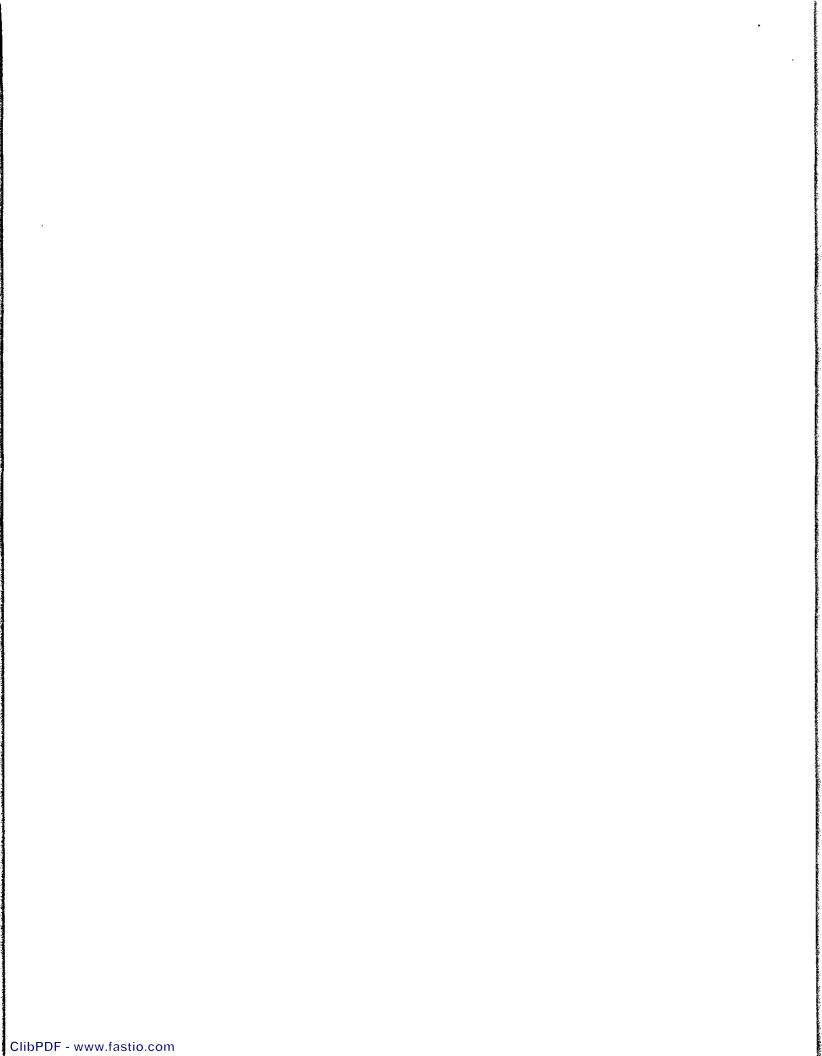


[audits] program evaluations to the committee on legislative research, and any agency may request an [audit] evaluation of its operations. The director of the division shall present program evaluations completed during the previous legislative interim period to appropriate committees of each chamber during early hearings of those committees at the next regular session.

23.180. The committee may:

- (1) Subpoena and examine witnesses by subpoena issued under the hand of the speaker of the house or the president pro tem of the senate and may require the appearance of any person and the production of any paper or document in the same manner;
- (2) Cause witnesses appearing before the committee or [the]

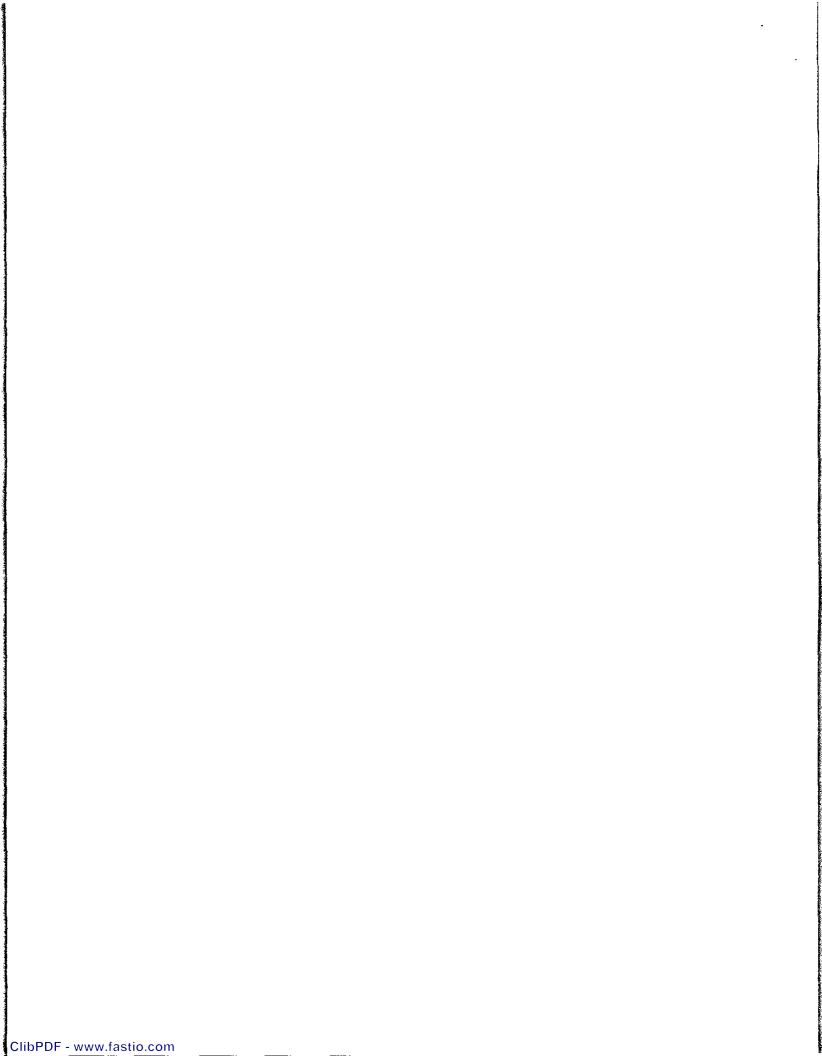
 <u>its</u> staff [of the division] to give testimony under oath;
- (3) Require that testimony given or a record of the proceedings of any hearing be recorded by an official court reporter or other competent person, under oath, in writing or by electronic, magnetic, or mechanical sound or video recording devices. Any such transcript or record, when certified by the reporter or recorder, shall be prima facie a correct statement of the testimony or proceedings.
- 23.190. 1. In making [audits] <u>program evaluations</u> the division shall make recommendations and suggestions, in writing, to the personnel of the agency being [audited] <u>evaluated</u>. Such personnel shall be given an opportunity to respond, in writing, to those recommendations and suggestions. Thereafter, as soon as practicable after completion of the [audit] <u>evaluation</u>, the committee shall issue a public report of the [audit] <u>evaluation</u>. The report shall contain recommendations for changes in practices and policies as well as recommendations for changes in statutes



and regulations, and shall contain the response of the agency involved. Each report shall be a public record and shall be signed by the committee [chairman] chair. Each report shall be presented to the governor and the agency involved. Copies may be made available to members of the general assembly and to the general public. The committee may charge a fee to recover publication costs for copies made available to the general public.

- 2. One year after completion of each [audit] evaluation, the oversight division shall review the operations of the agency [audited] evaluated to determine whether or not there has been substantial compliance with the recommendations contained in the report, and if not, a further review shall be conducted at the end of another year. In each instance a further report shall be made and distributed in the same manner as an initial report is made and distributed.
- 23.265. 1. At the beginning of each regular session of the general assembly, the committee shall present to the general assembly and the governor a report on the programs scheduled to be sunset.
 - 2. In the report, the committee shall include:
- (1) Its specific findings regarding each of the criteria prescribed by section 23.268;
- (2) Its recommendations based on the matters prescribed by section 23.271; and
- (3) Any other information the committee deems necessary for a complete evaluation of the program.
- 3. The director of the oversight division shall present such reports to the house budget committee and the senate

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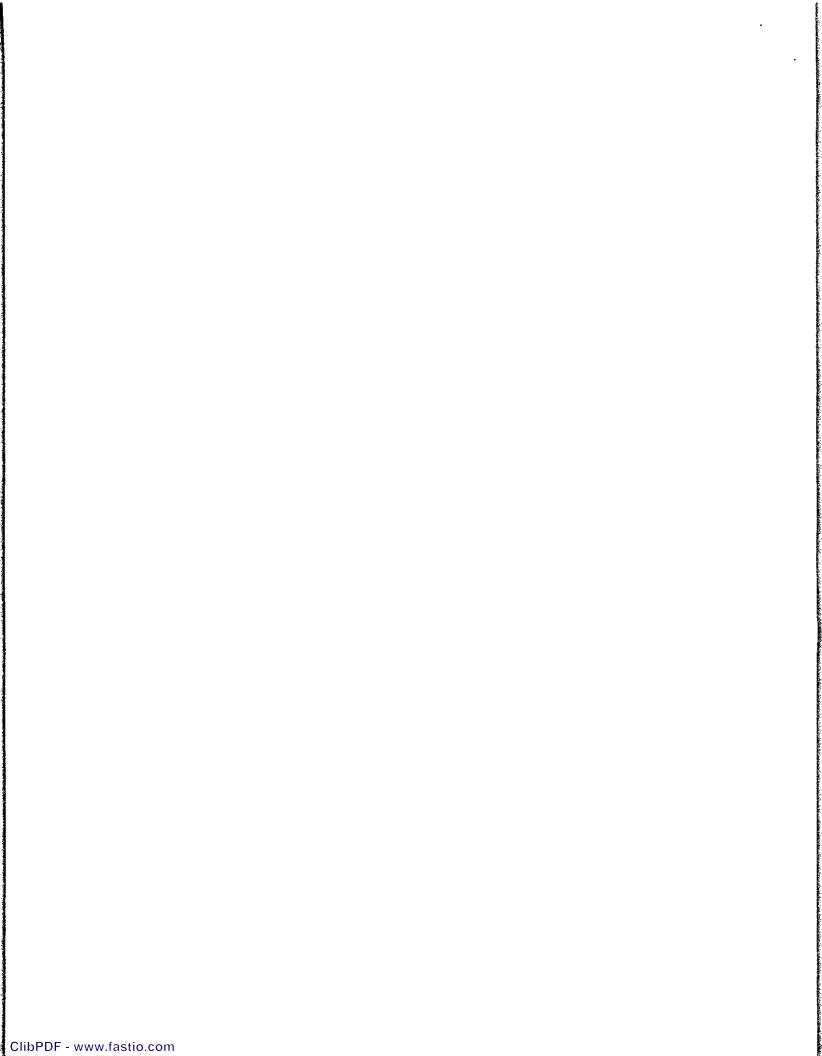


1 appropriations committee at such time as requested by the chairs
2 of such committees."; and

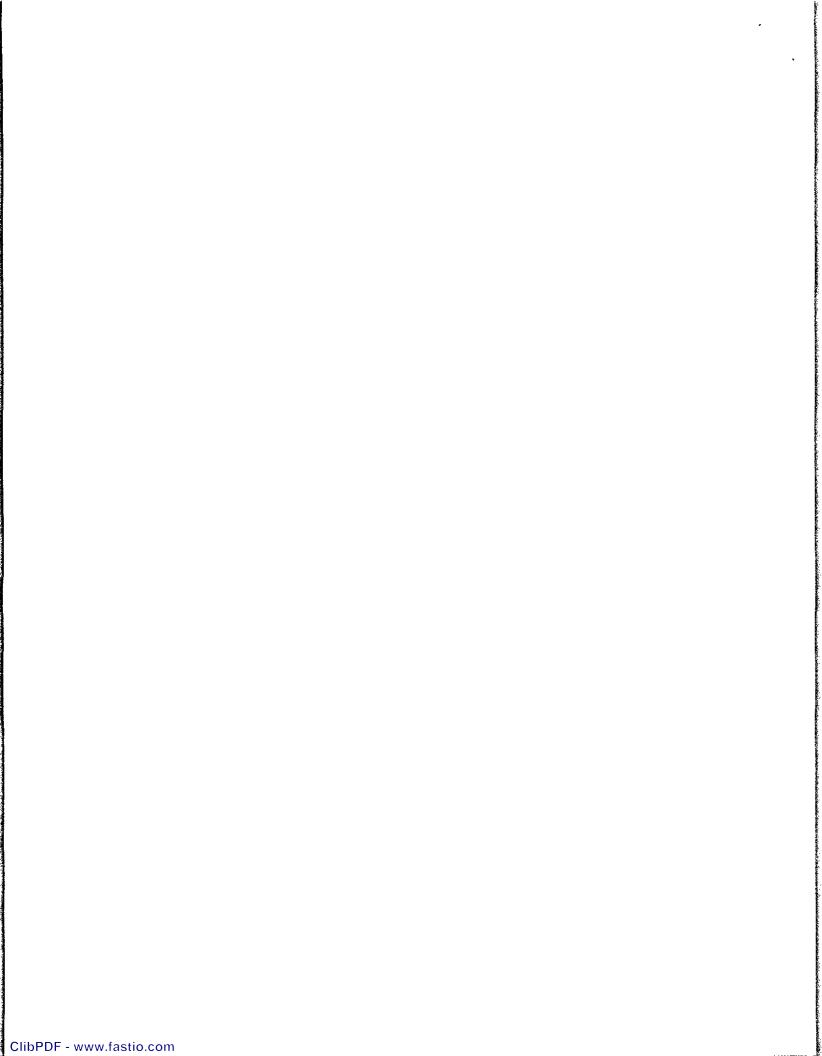
Further amend said bill, page 2, section 513.653, line 22, by inserting immediately after said line the following:

"[23.200. The staff of the committee on legislative research shall prepare a transfer-revision bill to be submitted to the ninetieth general assembly to revise the statutes so as to reflect the changes made by or pursuant to this act; except that, the committee on legislative research shall use fully the provisions of section 3.060 where such provisions will suffice. At such time as all statutory revision changes required pursuant to this act have gone into effect the revisor of statutes may prepare legislation to repeal this section.]"; and

Further amend the title and enacting clause accordingly.

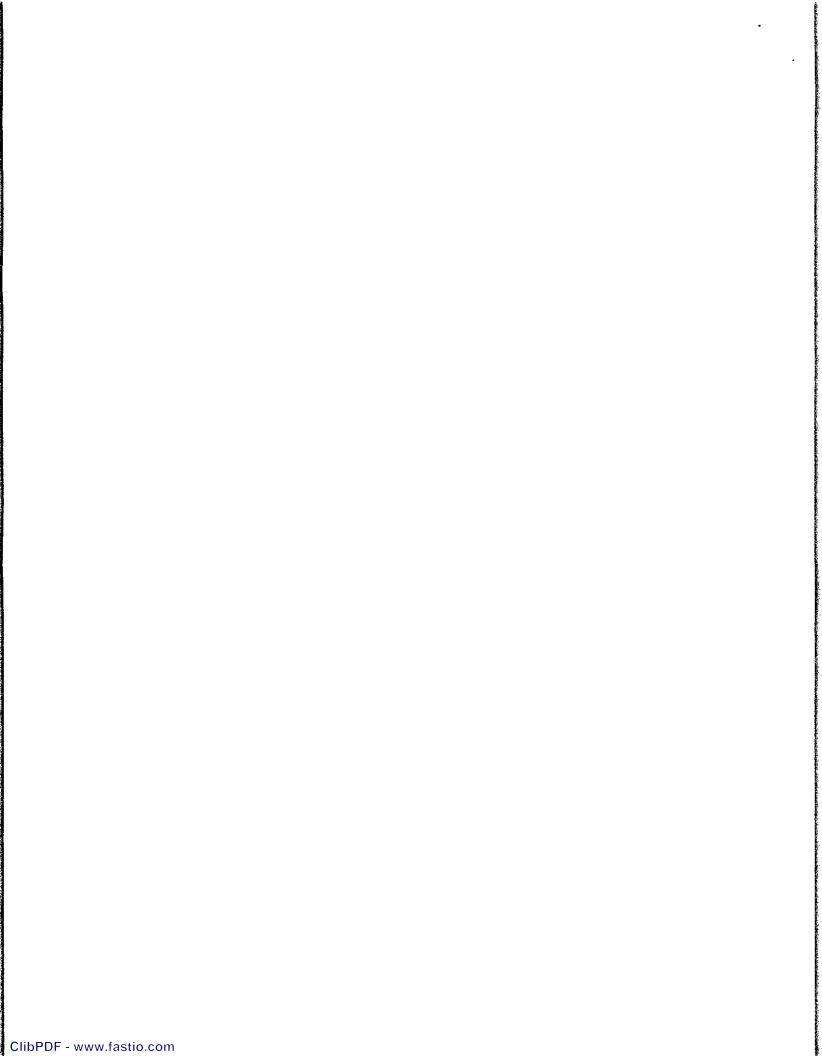


	SENATE AMENDMENT NO. 3
Offe	red by Konot of 67H
Amend	SS SCS Hruse Bill No. 1051, Page , Section A, Line U
2	by inserting after all of said line the following:
3	"21.940. 1. There is established a joint committee of the
4	general assembly to be known as the "Joint Committee on State
5	Employee Wages" to function in the legislative interims through
6	December 31, 2014, for the purpose of further studying and
7	developing of strategies for increasing the wages of Missouri's
8	state employees so Missouri will become competitive with their
9	peer states in regards to state employee wages.
10	2. The committee shall be composed of the following
11	members:
12	(1) Two majority party members and one minority party
13	member of the house of representatives, to be appointed by the
14	speaker and minority leader of the house of representatives
15	respectively;
16	(2) Two majority party members and one minority party
17	member of the senate, to be appointed by the president pro
18	tempore and minority leader of the senate respectively;
19	(3) One representative from the governor's office;
20	(4) One representative from the state personnel advisory
21	board; and
	offered 5-18-12 1
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<u>(5)</u>	Two members of the public, with one to be appointed by
the speal	ker of the house of representatives and one to be
appointed	d by the president pro tempore of the senate.
A majorit	ty of the committee shall constitute a quorum, but the
concurrer	nce of a majority of the members shall be required for
the deter	mination of any matter within the committee's duties.
<u>3.</u>	The committee shall be charged with the following:
<u>(1)</u>	Devising a focused and concise mission statement to
guide act	tions of the committee;
(2)	Requesting the office of administration to use moneys
in the st	ate employee wage study fund to invest in a consultant
o conduc	t salary and total compensation surveys to more
<u>comprehen</u>	sively review and analyze the state classification and
compensat	ion structures, similar to what other states have done;
<u>(3)</u>	Requesting the office of administration, with the
advice an	d consent of the committee, to use the data from the
comprehen	sive study to produce a long-term strategic plan for
Increasin	g state employee wages and to present such plan to the
overnor,	the house budget committee, and the senate
appropria	tions committee by January 31, 2015;
(4)	Such other matters as the committee may deem necessary
n order	to determine the proper course of future legislative and
<u>udgetary</u>	action regarding these issues.
4.	The committee may solicit input and information

necessary to fulfill its obligations, including, but not limited



to, soliciting input and information from any state department or agency the committee deems relevant, political subdivisions of this state, and the general public.

5. There is hereby created in the state treasury the "State Employee Wage Study Fund" which shall consist of money collected under this section. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the administration of this section. The state treasurer shall deposit to the credit of such fund all moneys which may be appropriated to it by the general assembly and any gifts, contributions, grants, beguests, or other aid received from federal, private, or other sources. The general assembly may appropriate moneys into the fund to be used by the office of administration for the purpose of investing in a consultant to conduct salary and total compensation surveys to more comprehensively review and analyze the state classification and compensation structures. Notwithstanding the provisions of section 33.080, to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

6. Members of the committee shall receive no compensation

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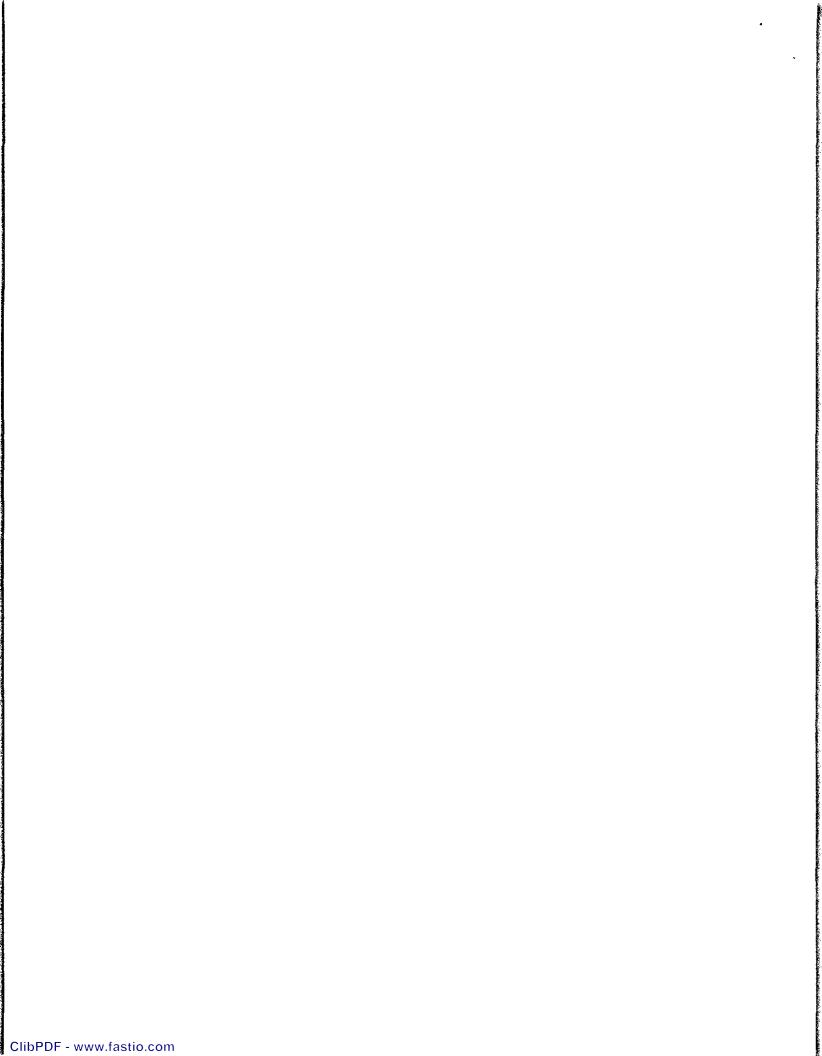
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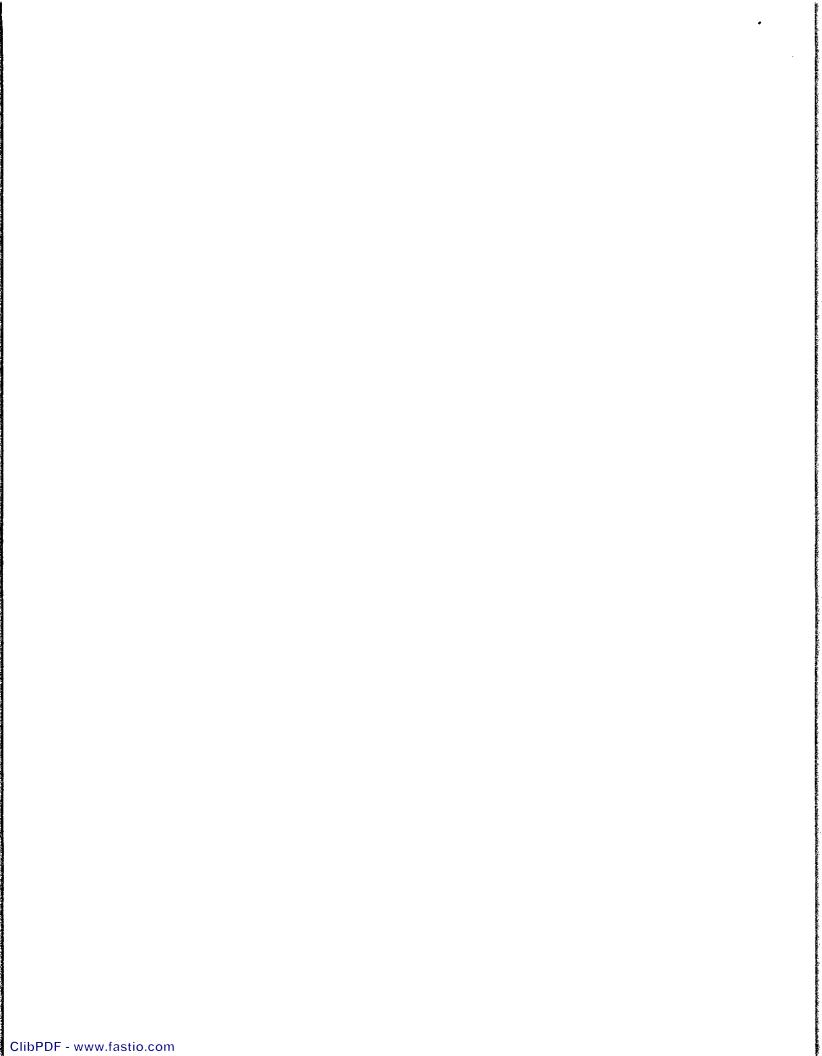
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2	but may be reimbursed for reasonable and necessary expenses
3	associated with the performance of their official duties.
4	7. The provisions of this section shall expire on January
5	31, 2015."; and
6	Further amend said bill, page $\frac{8}{2}$, section $\frac{513.653}{6}$,
7	line $2 b$, by inserting immediately after said line the
8	following:
9	"Section B. Because immediate action is necessary to help
10	attract and maintain a talented and dedicated workforce in order
11	to best serve the needs of Missouri citizens, the enactment of
12	section 21.940 of this act is deemed necessary for the immediate
13	preservation of the public health, welfare, peace and safety, and
14	is hereby declared to be an emergency act within the meaning of
15	the constitution, and the enactment of section 21.940 of this act
16	shall be in full force and effect upon its passage and
17	approval."; and
18	Further amend the title and enacting clause accordingly.



	SENATE AMENDMENT NO. $\underline{\hspace{0.1cm} -\hspace{0.1cm} -\hspace$
	Offered by Callahgu of ()Th
	Amend <u>\$S/SCS/HCS/House</u> Bill No. <u>1051</u> , Page <u>1</u> , Section <u>29.375</u> , Lines <u>8-9</u> ,
2	by striking all of said lines and inserting in lieu thereof the
3	following: "appropriation for fiscal year 2012.".
	Thered 5-18-12

