



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

Representatives that the Senate has taken up and passed

SS SCS 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 SA2, 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. 2Offered by Dixon of GreeneTS Amend SJ SCS/House Bill No. 1051, Page 1, Section A, Line 4 TS

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

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1 of the state;

2 (5) Whether or not any new physical facilities will be
3 required; and

4 (6) Whether or not the proposed legislation will have an
5 economic impact on small businesses. For the purpose of this
6 subdivision "small business" means a corporation, partnership,
7 sole proprietorship or other business entity, including its
8 affiliates, that:

9 (a) Is independently owned and operated; and

10 (b) Employs fifty or fewer full-time employees.

11 3. The fiscal note for a bill shall accompany the bill
12 throughout its course of passage. No member of the general
13 assembly, lobbyist or persons other than oversight division staff
14 members shall participate in the preparation of any fiscal note
15 unless the communication is in writing, with a duplicate to be
16 filed with the fiscal note or unless requested for information by
17 the fiscal analyst preparing the note. Violations of this
18 provision shall be reported to the chairman of the legislative
19 research committee and subject the fiscal note and proposed bill
20 to subcommittee review. Once a fiscal note has been signed and
21 approved by the director of the oversight division, the note
22 shall not be changed or revised without prior approval of the
23 chairman of the legislative research committee, except to reflect
24 changes made in the bill it accompanies, or to correct patent
25 typographical, clerical or drafting errors that do not involve
26 changes of substance, nor shall substitution be made therefor.
27 Appeals to revise, change or to substitute a fiscal note shall be
28 made in writing by a member of the general assembly to the
29 chairman of the legislative research committee and a hearing

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

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

11 4. The director of the division, hereinafter provided for,
12 or the director's designees, shall seek information and advice
13 from the affected department, division or agency of state
14 government and shall call upon the research staffs of the house
15 of representatives and of the senate, and upon the staffs of the
16 house and senate appropriations committees for assistance in
17 carrying out fiscal notes and [auditing functions and
18 duties] evaluations of programs selected by the committee, during
19 the interim, and each staff shall supply such information or
20 advice as it [may possess] deems appropriate in response to the
21 inquiry. The state auditor shall, upon request, cooperate and
22 provide assistance in the conduct of audits and the preparation
23 of reports made in connection therewith.

24 23.150. 1. The committee on legislative research shall
25 organize an oversight division to prepare fiscal notes and to
26 conduct [management audits and] program [audits] evaluations of
27 state agencies, including program evaluations involving budget
28 transparency and accountability. The committee may form a
29 subcommittee of not less than six members to provide direct

1 supervision of the personnel and practices of the division. The
2 subcommittee shall consist of one-half of the members appointed
3 by the [chairman] chair from the house which he or she represents
4 and one-half of the members appointed by the vice [chairman]
5 chair from the house which he or she represents.

6 2. Within the limits of the appropriations made for this
7 division, the committee shall employ a director of the oversight
8 division and other personnel as it deems necessary. The director
9 shall be qualified by training and experience to conduct such
10 [audits] evaluations, and he or she shall be directly responsible
11 for those activities. The director of the oversight division,
12 with the consent of the joint committee, may employ personnel
13 necessary to carry out the duties prescribed in this chapter.
14 Persons employed to work in the oversight division shall be
15 professional persons possessing a wide knowledge and demonstrated
16 expertise in governmental programming and financial planning, in
17 conducting program review evaluations and analytic studies, and
18 of federal, state, and local government budgetary processes, laws
19 and regulations of the state of Missouri. [Office space,
20 furniture and equipment formerly assigned to the committee on
21 state fiscal affairs, and appropriations made therefor, shall be
22 transferred to the committee on legislative research.]

23 23.160. 1. [As used in this chapter, the term "management
24 audit" means a postaudit which determines, with regard to the
25 purpose, functions, and duties of an audited agency:

26 (1) Whether the agency is managing and utilizing its
27 resources in an economical and efficient manner; and

28 (2) Which identifies causes of inefficiencies or
29 uneconomical practices including inadequacies in the use and

1 management of information systems, internal and administrative
2 procedures, organizational structure, use of resources,
3 allocation of personnel, and purchasing policies.

4 2.] As used in this chapter, the term "program [audit"]
5 evaluation" means a [postaudit] study which determines and
6 evaluates program performance according to program objectives,
7 responsibilities, and duties as set forth by statute or
8 regulation. Program [audits] evaluations, in accordance with
9 generally accepted program evaluation standards, shall determine:

10 (1) Whether the program is being performed and administered
11 as authorized or required by law, and whether this action
12 conforms with statutory intent;

13 (2) Whether the objectives and intended benefits are being
14 achieved, and whether [efficiently and effectively] the absence
15 of such achievements suggest the need for correction or
16 additional legislation;

17 (3) Benefits derived from any program in relation to the
18 expenditures made therefor; and

19 (4) Whether the program duplicates, overlaps, or conflicts
20 with any other state program. [A program audit may include
21 determinations within the scope of a management audit to the
22 extent necessary or appropriate to the conduct of a particular
23 program audit.

24 3.] 2. As used in this chapter, the term "resources"
25 includes appropriated funds, federal funds, grants, and
26 personnel, and also includes equipment and space, whether
27 assigned, owned or leased.

28 [4.] 3. As used in this chapter, the term "agency" includes
29 each department and office within the executive branch of

1 government and each identifiable unit thereof, including
2 institutions of higher learning, and each identifiable unit of
3 the legislative and judicial branches of government.

4 23.170. 1. The oversight division of the committee on
5 legislative research shall, pursuant to a duly adopted concurrent
6 resolution of the general assembly, or pursuant to a resolution
7 adopted by the committee on legislative research, conduct
8 [management audits and] program [audits] evaluations of agencies
9 as directed by any such resolution.

10 2. The staff of any agency subject to a [management or]
11 program [audit] evaluation shall fully cooperate with the staff
12 of the oversight division and shall provide all necessary
13 information and assistance for such an [audit] evaluation. All
14 records of an agency, unless otherwise expressly declared by law
15 to be confidential, may be inspected by the oversight division
16 staff while conducting the [audit] evaluation, and the agency
17 subject to the [audit] evaluation shall afford the oversight
18 division staff with ample opportunity to observe agency
19 operations.

20 3. All [audits] evaluations shall be completed within one
21 year unless an extension is authorized by the committee, but
22 progress reports shall be made to the committee at least
23 [monthly] quarterly. [The subcommittee supervising the oversight
24 division shall meet monthly to review progress reports, hear
25 requests for changes in fiscal notes, and provide supervision for
26 the oversight division staff.]

27 4. Any member of the general assembly and any committee of
28 either house of the general assembly may submit requests for

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

7 23.180. The committee may:

8 (1) Subpoena and examine witnesses by subpoena issued under
9 the hand of the speaker of the house or the president pro tem of
10 the senate and may require the appearance of any person and the
11 production of any paper or document in the same manner;

12 (2) Cause witnesses appearing before the committee or [the]
13 its staff [of the division] to give testimony under oath;

14 (3) Require that testimony given or a record of the
15 proceedings of any hearing be recorded by an official court
16 reporter or other competent person, under oath, in writing or by
17 electronic, magnetic, or mechanical sound or video recording
18 devices. Any such transcript or record, when certified by the
19 reporter or recorder, shall be prima facie a correct statement of
20 the testimony or proceedings.

21 23.190. 1. In making [audits] program evaluations the
22 division shall make recommendations and suggestions, in writing,
23 to the personnel of the agency being [audited] evaluated. Such
24 personnel shall be given an opportunity to respond, in writing,
25 to those recommendations and suggestions. Thereafter, as soon as
26 practicable after completion of the [audit] evaluation, the
27 committee shall issue a public report of the [audit] evaluation.
28 The report shall contain recommendations for changes in practices
29 and policies as well as recommendations for changes in statutes

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

9 2. One year after completion of each [audit] evaluation,
10 the oversight division shall review the operations of the agency
11 [audited] evaluated to determine whether or not there has been
12 substantial compliance with the recommendations contained in the
13 report, and if not, a further review shall be conducted at the
14 end of another year. In each instance a further report shall be
15 made and distributed in the same manner as an initial report is
16 made and distributed.

17 23.265. 1. At the beginning of each regular session of the
18 general assembly, the committee shall present to the general
19 assembly and the governor a report on the programs scheduled to
20 be sunset.

21 2. In the report, the committee shall include:

22 (1) Its specific findings regarding each of the criteria
23 prescribed by section 23.268;

24 (2) Its recommendations based on the matters prescribed by
25 section 23.271; and

26 (3) Any other information the committee deems necessary for
27 a complete evaluation of the program.

28 3. The director of the oversight division shall present
29 such reports to the house budget committee and the senate

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

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

5 "[23.200. The staff of the committee on
6 legislative research shall prepare a transfer-revision
7 bill to be submitted to the ninetieth general assembly
8 to revise the statutes so as to reflect the changes
9 made by or pursuant to this act; except that, the
10 committee on legislative research shall use fully the
11 provisions of section 3.060 where such provisions will
12 suffice. At such time as all statutory revision
13 changes required pursuant to this act have gone into
14 effect the revisor of statutes may prepare legislation
15 to repeal this section.]" ; and

16
17 Further amend the title and enacting clause accordingly.

SENATE AMENDMENT NO. 3

Offered by Korloe of 6TH
 Amend SS/SCS/House Bill No. 1051, Page 1, Section A, Line 4,

by inserting after all of said line the following:

"21.940. 1. There is established a joint committee of the general assembly to be known as the "Joint Committee on State Employee Wages" to function in the legislative interims through December 31, 2014, for the purpose of further studying and developing of strategies for increasing the wages of Missouri's state employees so Missouri will become competitive with their peer states in regards to state employee wages.

2. The committee shall be composed of the following members:

(1) Two majority party members and one minority party member of the house of representatives, to be appointed by the speaker and minority leader of the house of representatives respectively;

(2) Two majority party members and one minority party member of the senate, to be appointed by the president pro tempore and minority leader of the senate respectively;

(3) One representative from the governor's office;

(4) One representative from the state personnel advisory board; and

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2 (5) Two members of the public, with one to be appointed by
3 the speaker of the house of representatives and one to be
4 appointed by the president pro tempore of the senate.

5
6 A majority of the committee shall constitute a quorum, but the
7 concurrence of a majority of the members shall be required for
8 the determination of any matter within the committee's duties.

9 3. The committee shall be charged with the following:

10 (1) Devising a focused and concise mission statement to
11 guide actions of the committee;

12 (2) Requesting the office of administration to use moneys
13 in the state employee wage study fund to invest in a consultant
14 to conduct salary and total compensation surveys to more
15 comprehensively review and analyze the state classification and
16 compensation structures, similar to what other states have done;

17 (3) Requesting the office of administration, with the
18 advice and consent of the committee, to use the data from the
19 comprehensive study to produce a long-term strategic plan for
20 increasing state employee wages and to present such plan to the
21 governor, the house budget committee, and the senate
22 appropriations committee by January 31, 2015;

23 (4) Such other matters as the committee may deem necessary
24 in order to determine the proper course of future legislative and
25 budgetary action regarding these issues.

26 4. The committee may solicit input and information
27 necessary to fulfill its obligations, including, but not limited

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

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

27 6. Members of the committee shall receive no compensation

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 8, section 513.653,
7 line 26, 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.
19

SENATE AMENDMENT NO. 4Offered by Callahan of 11thAmend SS/SCS/HCS/House Bill No. 1051, Page 1, Section 29.375, Lines 8-9,

- 2 by striking all of said lines and inserting in lieu thereof the
3 following: "appropriation for fiscal year 2012.".

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