

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 218** SLS 18RS 270
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 27, 2018 4:35 PM	Author: CARTER
Dept./Agy.: Legislature	Analyst: Willie Marie Scott
Subject: Limited Constitutional Convention	

CONSTITUTION CONVENTION EG INCREASE GF EX See Note Page 1 of 2
 Provides for calling a limited constitutional convention for finance matters. (gov sig)

The proposed legislation creates the Evaluation & Drafting Committee, comprised of 19 members, to determine if a constitutional convention is needed. If a constitutional convention is determined to be needed, the committee shall prepare a draft of a proposed constitution with alternative provisions and by 11/1/2019 submit to the legislature and governor a plan for the conduct of a constitutional convention to be held on 1/18/2021. It further provides for the election of 39 delegates from senate districts and 60 members from various appointees for a total of 99 convention delegates. The legislation requires an election for the 39 delegates on 11/3/2020 (primary) and 12/5/2020 (general), and another election for the proposed draft of the constitutional revisions at the election on 11/13/2021 (general). The Executive Committee may request the provisions of professional, research, technical and clerical employees; and the staff of the constitutional convention may include a director of research, research assistants, personnel from LSU, SU, Tulane and Loyola law schools, and other staff deemed necessary. The convention may also utilize the personnel and services of the Legislature Auditor (LLA), Legislative Fiscal Office (LFO), and staffs of the House of Representatives and the Senate. Compensation of staff personnel shall be established by the Executive Committee; and delegates of the convention shall be paid the same per diem as members of the legislature. **(Cont. on Page 2)**

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total					\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total					\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will result in an indeterminable increase in SGF expenditures. The cost relative to expenses of the Evaluation & Drafting Committee along with the convening of a constitutional convention cannot be accurately estimated due to the number of variables that make up the costs of such an initiative. To the extent the Evaluation & Drafting Committee determines that a convention is necessary, SGF costs are expected to be significant and are discussed below. To the extent that the Evaluation & Drafting Committee determines that a constitutional convention is not necessary, the committee shall be dissolved upon adjournment of the 2019 RS; and will result in no additional cost.

The Executive Committee shall prepare a budget of anticipated expenses of the convention, based on the amount of the appropriation for the convention and any other funds available for expenditures. The majority of the costs associated with the proposed legislation would be the per diem paid to the 19 members of the Evaluation & Drafting Committee and the 128 delegates of the constitutional convention. The legislative per diem rate is \$164 and the cost of related benefits (7.65% includes FICA 6.2% and Medicare 1.45%) is approximately \$13 for a daily cost of approximately \$177/day. Based upon these figures, the daily cost for the Evaluation & Drafting Committee and the constitutional convention would be \$3,363 and \$17,523 respectively. The total cost for the convention would depend upon the amount of funds appropriated and number of meeting days held. The legislation allows the Evaluation & Drafting Committee to create or appoint advisory committees or task forces; and the Executive Committee to create or establish substantive and procedural committees. Expenditures relative to additional committees or task forces, and per diem paid to the Evaluation & Drafting Committee if approved by the presiding officers of the 2 houses of the Legislature are indeterminable. There will also be costs for the payment of salaries and expenses of necessary employees, supplies, materials, equipment, printing and reproduction of materials and all other necessary expenses incurred in connection with the convention and its work. Additional indeterminable costs may be incurred to the extent that staff from other agencies and delegates request travel allowance (mileage only) and overtime pay for legislative staffers during the constitutional convention. According to House Accounting, the cost of one round trip mileage reimbursement for 105 members at 54.5 cents per mile is \$11,847.43 which is paid every 2 weeks during legislative sessions. Based on this projection and the assumption that the convention will last the duration of 6 months, the maximum potential cost for mileage is approximately \$142,169 (\$11,847.43 X 12 payments).

Note: The total budget for the 1974 constitutional convention was approximately \$2.9 M of which \$1 M was delegate per diem costs, \$850,000 was budgeted for salary expenses of convention staff; and \$1 M for other expenses associated with the constitutional convention. The total budget for the 1992 mini constitutional convention was estimated at approximately \$1.5 M (excludes \$295,526 projected overtime and per diem for legislative staff). **(Cont. on Page 2)**

REVENUE EXPLANATION

The proposed legislation grants both the Evaluation & Drafting Committee and the constitutional convention the authority to accept grants, donations or gifts of money and services from public and private sources to defray the expenses of the committee and constitutional convention. The amount that may be received from non-governmental entities, if any, cannot be estimated. Automatic late filing fees are assessed for every day the required campaign finance reports are late. The fees are \$60 per day for district office candidates, and additional civil penalties may be imposed for reports more than 10 days late. The increase in revenue is indeterminable **(Cont. on Page 2)**

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:

Expenses incurred by the Evaluation & Drafting Committee may be paid from any funds available for such purpose and from funds available for expenses of the legislature, if approved by the presiding officers of each house. Expenses of the constitutional convention shall be paid from an appropriation made by the legislature. Both the Evaluation & Drafting Committee and the constitutional convention may accept grants, donations or gifts of money or services, including the use of facilities and staff from public or private sources to defray the expenses of the convention.

EXPENDITURE EXPLANATION

The Department of State budgets for up to 10 constitutional amendments for the fall statewide elections as regular practice and any cost associated with any proposed constitutional amendments will be absorbed within the agency's budget. Since statewide elections are scheduled for 2019 and 2020, no fiscal impact on election expenses will be realized.

The Ethics Administration indicated there could be additional postage costs associated with mailing notice of delinquency letters if delegates fail to file or fail to file timely. Any increase in postage costs will likely be absorbed by the agency.

The LFO and staffs of the House of Representatives, Senate, and agencies will likely absorb any additional duties with existing staff and resources. However, if the constitutional convention concurs with the regular legislative session in 2020 (85 days), the need for additional staff may be required in addition to locating a suitable facility to hold the convention.

The LLA has indicated that if the workload is not of a minimal nature, the cost will be \$11,000 for every 100 hours committed to the Evaluation & Drafting Committee. The cost of providing an audit of the financial books and records of the constitution convention by a CPA firm is estimated to be \$30,000.

REVENUE EXPENDITURE

since it will depend on the number of candidates that may fail to file or file late and the number of days reports are filed late. All fees assessed are deposited into the SGF.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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