

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 375** HLS 16RS 113
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 24, 2016 10:29 AM	Author: CROMER
Dept./Agy.: Legislature	Analyst: Willie Marie Scott
Subject: Constitutional Convention	

CONSTITUTION/CONVENTION OR INCREASE GF EX See Note Page 1 of 2
 Provides for calling a constitutional convention.

The proposed legislation provides for the calling of a constitutional convention to convene on 1/9/2017 for the purpose of framing a new constitution relative to the state's tax structure and budgetary practices; the dedication of state revenue; local government fiscal restraints; and other matters. The final draft of the proposed constitution shall be completed no later than 5/31/2018; and a proposed draft to the Governor no later than 6/15/2018. The proposed constitutional shall be submitted to the people at the congressional primary election to be held on 11/6/2018. It further provides for the appointment of 106 delegates and the election of a chairman, vice chairman, membership of an executive committee, and chief clerical officer. The Executive Committee may create and establish substantive and procedural committees as deemed necessary. No committee of the convention, including the Executive Committee, shall not exceed 17 members; and may meet either as a full body or in committees until it completes the drafted constitution. The Executive Committee shall employ a director of research, research assistants, secretarial/clerical personnel, and such other professional, research, **(Continue on Page 2)**

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	\$0	\$0	\$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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total			\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total			\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will result in an indeterminable increase in SGF expenditures. The cost relative to expenses of a constitutional convention cannot be accurately estimated due to the number of variables that make up the costs of such an initiative. SGF costs are expected to be significant and are discussed below.

The majority of the costs associated with the proposed legislation would be the per diem paid to the 17 members of the Executive Committee and the 106 delegates of the constitutional convention. The legislative per diem rate is \$157 and the cost of related benefits (7.65% includes FICA 6.2% and Medicare 1.45%) is approximately \$12 for a daily cost of approximately \$169/day. Based upon these figures, the daily cost for the committee would be \$2,873 and the daily cost of the constitutional convention would be \$17,914. The total cost would depend upon the number of meeting days held. The legislation also allows the Executive Committee to create or establish substantive and procedural committees. Expenditures relative to additional committees are indeterminable. There will also be costs for 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 committee(s) and the constitutional convention.

The Department of State budgets for up to 10 constitutional amendments for the fall statewide elections as regular practice and any cost associated with this proposed constitutional amendment will be absorbed with the agency's budget. The cost of providing an audit of the financial books and records of the constitutional convention by a CPA firm is estimated to be \$30,000.

The LFO and staffs of the House of Representatives and the Senate will likely absorb any additional duties with existing staff and resources.

The LLA has indicated that if the workload is not of a minimal nature, the cost will be \$10,500 for every 100 hours committed to the constitutional convention.

(Continue on Page 2)

REVENUE EXPLANATION

The proposed legislation grants 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, can not be estimated.

Senate Dual Referral Rules House

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

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

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

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

Evan Brasseaux

**Evan Brasseaux
Staff Director**

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 375** HLS 16RS 113
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: March 24, 2016 10:29 AM	Author: CROMER
Dept./Agy.: Legislature	Analyst: Willie Marie Scott
Subject: Constitutional Convention	

CONTINUED EXPLANATION from page one:

technical and clerical employees. Compensation of staff personnel shall be established by the Executive Committee; and delegates of the convention shall be paid the same per diem as member of the legislature. In addition to its staff, the convention may utilize the personnel and services of the Legislative Auditor (LLA), Legislative Fiscal Officer (LFO), and staffs of the House of Representatives and the Senate. The 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. Expenses of the constitutional convention shall be paid from an appropriation made by the legislature.

CONTINUED EXPENDITURE EXPLANATION from page one:

Note: The total budget for the 1973-74 constitutional convention was approximately \$2.9 M of which \$1 M was delegate per diem costs and \$850,000 was budgeted for the salary expenses for convention staff.

Senate Dual Referral Rules House

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

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

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

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

Evan Brasseaux

Evan Brasseaux
Staff Director