

SECOND REGULAR SESSION

# HOUSE BILL NO. 1687

98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CHIPMAN.

4681H.011

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To amend chapter 33, RSMo, by adding thereto four new sections relating to budget planning of state agencies.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 33, RSMo, is amended by adding thereto four new sections, to be known as sections 33.670, 33.671, 33.672, and 33.673, to read as follows:

2 **33.670. 1. There is hereby created in the state treasury the "Budget Planning**  
3 **Incentive Fund", which shall consist of moneys deposited by state agency commissions in**  
4 **accordance with section 33.671. The state treasurer shall be custodian of the fund. In**  
5 **accordance with sections 30.170 and 30.180, the state treasurer may, subject to**  
6 **appropriation, approve disbursements; however, the state agency commissions shall be**  
7 **entitled to authorize lawful warrants to withdraw funds for the payment of bonuses under**  
8 **section 33.671.**

9 **2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys**  
10 **remaining in the fund at the end of the biennium shall not revert to the credit of the**  
11 **general revenue fund except for the annual percentage of the fund authorized and**  
12 **mandated to revert to the general revenue fund under subsection 3 of this section.**

13 **3. The state treasurer shall annually deposit eighty percent of the total funds**  
14 **received by the budget planning incentive fund during the fiscal year, excluding any**  
15 **investment income, to the general revenue fund. The remaining twenty percent and any**  
16 **investment income shall not revert to the credit of the general revenue fund and shall be**  
**allocated in separate, revolving state agency accounts for distribution under section 33.671.**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17           **4. The state treasurer shall invest moneys in the fund in the same manner as other**  
18 **funds are invested. Any interest and moneys earned on such investments shall be credited**  
19 **to the fund. Investment and interest income from the entire amount of the fund shall be**  
20 **proportionally apportioned to the bonus account portions of the fund based upon each**  
21 **agency's savings and shall not revert to the credit of the general revenue fund.**

**33.671. 1. Each state agency shall form a "Budget Planning Commission" that may**  
2 **recommend and implement budget withholding on a quarterly basis in order to provide**  
3 **funds for the budget planning incentive fund created under section 33.670. For purposes**  
4 **of sections 33.670 to 33.673, "state agency commission" means a budget planning**  
5 **commission formed under this subsection.**

6           **2. Each state agency commission shall consist of five members, all of whom shall**  
7 **be full-time employees of such state agency who have different titles and levels of**  
8 **compensation. At least three members of such commission shall have nonmanagement or**  
9 **administrative positions within the agency. Members of a commission shall be**  
10 **uncompensated for work on the commission except that they may receive bonus amounts**  
11 **under this section in the same manner as other full-time employees. Service on a**  
12 **commission shall be voluntary and determined by rule, policy, or other order as set forth**  
13 **by a state agency.**

14           **3. Except as otherwise provided in this subsection, all revenues disbursed to a**  
15 **particular state agency, whether denominated as from a fund or a particular account, that**  
16 **are subject to a reversion to the general revenue fund may be diverted to the budget**  
17 **planning incentive fund created under section 33.670 by majority vote of the commission.**  
18 **No more than ten percent of an agency's total funding subject to reversion to the general**  
19 **revenue fund shall be diverted in any particular fiscal year.**

20           **4. The commission for each state agency shall periodically disburse funds in the**  
21 **form of one-time bonuses to its full-time employees at such time as disbursements are**  
22 **warranted by the amount available in such agencies' accounts in the budget planning**  
23 **incentive fund created under section 33.670. Bonuses shall be distributed in whole-dollar**  
24 **amounts and in equal amounts to all full-time employees of the requisite state agency.**

25           **5. A state agency commission may also disburse funds from such agency's account**  
26 **in the budget planning incentive fund for the purpose of paying the administrative costs**  
27 **of disbursing bonuses.**

28           **6. The disbursement of bonuses by state agency commissions does not create any**  
29 **enforceable contract or expectation or reliance interest on the part of the state agency and**  
30 **such disbursements shall not be construed as salaries.**

31           **7. A commission may rescind its authorization for funds transferred to the budget**  
32 **planning incentive fund at any time prior to distribution of such funds as bonus amounts,**  
33 **and may request the use of any existing funds within the agency’s account for other**  
34 **purposes at any time.**

35           **8. State agencies may form commissions under this section by rule, order, or policy**  
36 **and may, but need not, promulgate rules governing such commissions. Any rule or portion**  
37 **of a rule, as that term is defined in section 536.010, that is created under the authority**  
38 **delegated in this section shall become effective only if it complies with and is subject to all**  
39 **of the provisions of chapter 536 and, if applicable, section 536.028. This section and**  
40 **chapter 536 are nonseverable, and if any of the powers vested with the general assembly**  
41 **under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule**  
42 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**  
43 **rule proposed or adopted after August 28, 2016, shall be invalid and void.**

**33.672. 1. Each state agency commission may annually transfer moneys consisting**  
2 **of not more than ten percent of such agency’s total budget to the fund created under**  
3 **section 33.670.**

4           **2. Moneys allowable for transfer shall come from funds and accounts subject to**  
5 **reversion to the general revenue fund and not from any permanent or revolving funds or**  
6 **accounts.**

7           **3. Moneys may be transferred on a quarterly basis in order to conform with best**  
8 **practices and accounting principles currently in use or transferred in any other manner**  
9 **necessary to conform with best practices so long as the aggregate annual limitation under**  
10 **subsection 1 of this section is observed.**

11           **4. If a state agency commission desires to use a default or recommended transfer,**  
12 **then the treasurer shall accommodate such requests by quarterly transferring moneys in**  
13 **equal amounts consisting of three percent of an agency’s annual budget subject to transfer**  
14 **to the budget planning incentive fund.**

15           **5. Any remaining moneys not transferred as bonus amounts during the fiscal year**  
16 **shall remain in a separate, revolving state agency account that may be used to pay bonuses**  
17 **in future years under section 33.671.**

**33.673. For purposes of budget reporting and consensus revenue estimates, the**  
2 **governor and the budget committees of the house and senate shall refer only to the**  
3 **aggregate savings and deposit amounts for the budget planning incentive fund created**  
4 **under section 33.670 and shall not request separate state agency information for the**  
5 **purpose of adjusting individual state agency budgets. Enacting reductions based on**  
6 **estimated operating expense savings will undermine the general rationale of the budget**

7 **planning incentive fund, which is to incentivize proper budgeting during a particular fiscal**  
8 **year and reduce excessive expenditures based on future assumptions of need and the fear**  
9 **of losing revenue in those funds and accounts that are subject to reversion to the general**  
10 **revenue fund at the end of each fiscal year.**

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