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HOUSE FISCAL AGENCY BOARD

House Bill 4373 (Substitute H-4)
First Analysis (3-3-93)

Sponsor: Rep. Dennis Olshove
Committee: House Oversight

THE APPARENT PROBLEM:

Under the Legislative Council Act, the House Fiscal Agency (HFA) is governed by a committee made up the chairperson of the Appropriations Committee and two other members of that committee, one of whom must be a member of the minority party. Last session, legislation (House Bill 5934) was proposed that would have made the governing board of the House Fiscal Agency more like that of its Senate counterpart by including the Speaker and the House Minority Leader on the governing board. More recently, highly publicized allegations of spending irregularities in the administration of the House Fiscal Agency have lent fresh attention to the matter of the governing board and how it should operate; one of the things singled out for criticism was the relative infrequency with which the board has met. Legislation has been proposed to repair various weaknesses identified in the structure of the board and the statute creating it, and to accommodate the current situation where the House operates under a joint leadership agreement.

THE CONTENT OF THE BILL:

The bill would amend the Legislative Council Act to expand the three-member HFA board to eight members, if a joint leadership agreement was in effect, or to six members, if the House was controlled by a single speaker. In either situation, board membership would be equally split between the parties. The board would have to meet at least quarterly; in addition to quarterly meetings, the board would have to meet within seven days after at least two board members requested a meeting. The director of the House Fiscal Agency would have to provide quarterly financial statements on the financial affairs of the agency, submitting them to the members of the governing board and the House within 30 days after each calendar quarter.

If the House was controlled by Co-Speakers, the board would consist of the co-Speakers, the co-chairs of the Appropriations committee, the co-vice-

chairs of the Appropriations committee, and the co-chairpersons of the Oversight and Ethics Committee. The co-chairpersons of the board would be the co-chairpersons of the Appropriations committee, who would alternate chairing the board. The Democratic co-chairperson would preside in months when the presiding officers of the House were Republican, and the Republican co-chairperson would preside when the presiding officers of the House were Democratic.

If the House was controlled by a single Speaker, the board would consist of the Speaker, the Minority Leader, the chairperson of the Appropriations committee, the minority vice-chair of the Appropriations committee, and the chair and minority vice-chair of the Oversight and Ethics committee. The board's chair would be the chairperson of Appropriations.

MCL 4.1601

BACKGROUND INFORMATION:

The joint leadership agreement adopted as House Resolution Number 1 contemplates a four-member HFA board for the current session. To be consistent with the bill, the leadership agreement would have to be amended.

FISCAL IMPLICATIONS:

There is no information at present.

ARGUMENTS:

For:

The bill would correct a number of deficiencies in the statute establishing the board that has oversight authority over the House Fiscal Agency. It would broaden the board and ensure continued equal participation by members of both parties, require regular meetings of the board, and demand regular

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financial statements from the fiscal agency director. With these reforms, the bill should help to restore the credibility of the House Fiscal Agency, increase public trust, and prevent future abuses.

POSITIONS:

There are no positions at present.