

# Legislative Analysis



## COMMISSION ON GOVERNMENT EFFICIENCY & COMMISSION ON STATUTORY MANDATES

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**Senate Bill 395 as enrolled**  
**Public Act 99 of 2007**  
**Sponsor: Sen. Jud Gilbert, II**

**Senate Bill 397 as enrolled**  
**Public Act 97 of 2007**  
**Sponsor: Sen. Randy Richardville**

**Senate Bill 396 as enrolled**  
**Public Act 95 of 2007**  
**Sponsor: Sen. Roger Kahn**

**Senate Bill 398 as enrolled**  
**Public Act 98 of 2007**  
**Sponsor: Sen. Bruce Patterson**

**House Committee: Government Operations (Discharged)**  
**Senate Committee: Government Operations and Reform**

**Complete to 10-10-07**

### A SUMMARY OF SENATE BILLS 395 - 398 AS ENROLLED

The bills would amend the Legislative Council Act (MCL 4.1101, et al.). Senate Bills 396 and 397 would create a nine-member Commission on Government Efficiency. Senate Bills 395 and 398 would create a five-member Commission on Statutory Mandates. The commissions would be created within the Legislative Council.

The bills' provisions would be repealed on September 30, 2010.

#### **Senate Bill 396: the Commission on Government Efficiency**

Commission Duties. No later than December 31, 2008, the commission would need to 1) review and investigate ways to make state government more efficient; 2) review, investigate, and collect information necessary to evaluate all functions and services provided by each state agency, including human resource duties and responsibilities, payroll services, accounting and financial services, purchasing programs, printing services, mail services, maintenance services, janitorial or cleaning services, motor vehicle fleet operations, transportation services, and fiscal analysis; 3) determine the complete cost of each function or service performed by a state agency; 4) determine the total number "FTEs" (full-time equivalent employees) for each function or service; 5) determine how each function or service is funded in each state agency; 6) determine the total and complete cost of all functions and services combined; 7) review and investigate funded and unfunded mandates imposed on state agencies by state law and their complete costs; and 8) review and investigate all reporting requirements imposed on state agencies in state law and their complete costs.

No later than October 1, 2009, the commission would have to make specific determinations on the previously enumerated items and report the determinations to each

house of the Legislature and the Governor. An interim status report would have to be provided no later than June 1, 2009.

Commission Members and Terms. The commission would consist of the following nine members: one member appointed by the Speaker of the House, one member appointed by the Minority Leader of the House, one member appointed by the Senator Majority Leader, one member appointed by the Senate Minority Leader, the directors of the Senate and House Fiscal Agencies, and three members jointly selected by the Speaker of the House and the Senator Majority Leader. The initial members would have to be appointed within 60 days after the effective date of the bill. Members would serve a term of three years. Vacancies would be filled in the same manner as the original appointments. The person making the appointment could remove a member for good cause. Members of the commission would have to be individuals with knowledge of, education in, or experience with the best practices of one or more of the following fields: organizational efficiency, government operations, public finance, and administrative law. Other than the directors of the two fiscal agencies, public employees would not be eligible to serve as members.

Commission Meetings. The first meeting would be called by the Speaker of the House not later than 60 days after the effective date of the bill. The members appointed by the Senate Majority Leader and the Speaker of the House would be co-chairpersons. The chairperson position would rotate each month between the two appointees, with the member appointed by the Speaker serving as chair for the first month. At the first meeting, the commission would elect other officers it considered necessary or appropriate. After the first meeting, the commission would have to meet at least monthly, or more frequently at the call of the chairperson or the request of three or more members. The commission would be subject to the Open Meetings Act and the Freedom of Information Act. For the purpose of conducting business, a majority of the members would constitute a quorum. A majority of members would be required for official action.

Compensation. Commission members would serve without compensation but could be reimbursed for reasonable and necessary expenses incurred in the performance of their official duties.

Commission Authority. Upon request, the commission would be given access to all information, records, and documents in the possession of a state agency that it considered necessary. The commission could hold hearings and could request that any person appear before the commission, or at a hearing, and give testimony or produce documentary or other evidence the commission considered relevant to its duties. The Governor could direct state agencies to provide information to the commission to assist it in fulfilling its duties.

Further, in connection with its duties, the commission could request the Legislative Council to issue subpoenas, direct the service of the subpoena by any police officer, and compel the attendance and testimony of witnesses; administer oaths, examine any person as necessary; and compel the production of books, accounts, papers, documents, and records. The Legislative Council could issue the subpoena only upon the concurrence of

a majority of the House members and a majority of the Senate members of the Legislative Council. A person who refused to comply with a subpoena could be punished as for contempt of the Legislature.

**Senate Bill 397** would require the Commission on Government Efficiency to report to each house of the Legislature by December 1, 2009 recommendations on how to consolidate, streamline, and make more efficient the functions and services conducted by state agencies. This report would have to include recommended reforms to reduce the number of position classifications and layers of management positions within state agencies and to assure greater consistency within state agencies and throughout the state in the application of administrative rules and standards consistent with state law. This report would be in addition to the report required under Senate Bill 396.

#### **Senate Bill 398: the Commission on Statutory Mandates**

Commission Duties. The commission would be required to do the following by December 31, 2008: 1) review and investigate all funded and unfunded mandates imposed on local units of government in state law; 2) review and investigate all reporting requirements imposed on local units in state law; 3) determine the complete cost of each funded and unfunded mandate imposed on a local unit of government in state law; and 4) determine the complete cost of each reporting requirement imposed on a local unit in state law.

Not later than October 1, 2009, the commission would have to make specific determinations of the items described in the previous paragraph and report the determinations to each house of the Legislature and to the Governor. Further, the commission would have to provide an interim status report no later than June 1, 2009.

Commission Membership. The commission would consist of the following five members: one member appointed by the Speaker of the House, one member appointed by the Minority Leader of the House, one member appointed by the Senate Majority Leader, one member appointed by the Senate Minority Leader, and one member of the public appointed jointly by the Speaker of the House and the Senate Majority Leader, who would have to be an attorney licensed to practice in Michigan. Legislators and other state employees would not be eligible to serve as members. Members of the commission would need to have knowledge of, education in, or experience with the best practices of one or more of the following fields: organizational efficiency, government operations, public finance, and administrative law. Members first appointed to the commission would have to be appointed within 60 days after the bill's effective date.

Commission Meetings. The first meeting would be called by the Senate Majority Leader not later than 60 days after the effective date of the bill. The members appointed by the Senate Majority Leader and the Speaker of the House would be co-chairpersons. The chairperson position would rotate each month between the two appointees, with the member appointed by the Senate Majority Leader serving as chair for the first month. At the first meeting, the commission would elect other officers it considered necessary or

appropriate. After the first meeting, the commission would have to meet at least monthly, or more frequently at the call of the chairperson or the request of three or more members. The commission would be subject to the Open Meetings Act and the Freedom of Information Act. For the purpose of conducting business, a majority of the members would constitute a quorum. A majority of members would be required for official action.

Compensation. Commission members would serve without compensation but could be reimbursed for reasonable and necessary expenses incurred in the performance of their official duties.

Commission Authority. Upon request, the commission would be given access to all information, records, and documents in the possession of a state agency that it considered necessary. The commission could hold hearings and could request that any person appear before the commission, or at a hearing, and give testimony or produce documentary or other evidence the commission considered relevant to its duties. The Governor could direct state agencies to provide information to the commission to assist it in fulfilling its duties.

Further, in connection with its duties, the commission could request the Legislative Council to issue subpoenas, direct the service of the subpoena by any police officer, and compel the attendance and testimony of witnesses; administer oaths, examine any person as necessary; and compel the production of books, accounts, papers, documents, and records. The Legislative Council could issue the subpoena only upon the concurrence of a majority of the House members and a majority of the Senate members of the Legislative Council. A person who refused to comply with a subpoena could be punished as for contempt of the Legislature.

**Senate Bill 395** would require the commission to report to each house of the Legislature by December 1, 2009, recommendations on how to consolidate, streamline, or eliminate funded and unfunded mandates and reporting requirements imposed on local units of government in state law. This requirement would be in addition to the report required Senate Bill 398.

## **FISCAL IMPACT:**

The fiscal impact of the bills is indeterminate.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.