

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2621
99TH GENERAL ASSEMBLY

6485H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 29, RSMo, by adding thereto one new section relating to the state agency efficiency fund.

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

Section A. Chapter 29, RSMo, is amended by adding thereto one new section, to be known as section 29.290, to read as follows:

29.290. 1. There is hereby created in the state treasury the “State Agency Efficiency Fund”, which shall consist of moneys collected under this section. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in the fund shall be used solely for the administration of this section.

2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

3. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

4. The fund shall consist of all moneys remaining unspent at the end of the fiscal year in any state agency account or fund that automatically reverts to the general revenue fund until the moneys are certified under subsection 5 of this section. The fund may also consist of moneys subject to appropriation by the general assembly for the purpose of funding salary adjustments under this section. The fund only shall include moneys appropriated to a state agency from general revenue and shall not include other moneys

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.

19 collected by a state agency including, but not limited to, professional registration and
20 licensing fees.

21 **5. State agencies shall certify to the office of the state treasurer the amount of**
22 **moneys subject to transfer into the fund at the end of each fiscal year in a manner**
23 **established by the state treasurer or his or her agent. Such certification shall contain a**
24 **verification that unspent moneys transferred to the fund are a product of the cost savings**
25 **and efficiency gains presented in the annual report under subsection 6 of this section. It**
26 **shall be deemed bad faith for an agency to request new or identical annual appropriations**
27 **on the basis of past appropriations where a portion of such appropriations was retained**
28 **by the fund for the benefit of such agency's employees.**

29 **6. Upon receipt of the certification report required under subsection 5 of this**
30 **section, the state treasurer shall transfer seventy-five percent of the moneys to the general**
31 **revenue fund, with the other twenty-five percent to remain in the state agency efficiency**
32 **fund. Nothing in this section shall prohibit or otherwise void existing statutory**
33 **requirements to transfer remaining funds to the general revenue fund in accordance with**
34 **general law.**

35 **7. Moneys in the fund shall be expended for the sole purpose of incentivizing state**
36 **agency efficiency. If an agency has a cost savings or efficiency improvement greater than**
37 **one million dollars, the amount of the cost savings shall be returned to the agency by**
38 **increasing salaries under an existing salary schedule or adjusting salaries in accordance**
39 **with fiscal year appropriation authorization by the general assembly. Salary increases or**
40 **adjustments shall be made on an agency-wide basis subject to the recommendation of the**
41 **state auditor under subsection 9 of this section and to appropriation by the general**
42 **assembly. The general assembly shall retain authority to make salary adjustments by**
43 **appropriation as allowed under the Constitution of Missouri.**

44 **8. All state agencies and departments shall have the right to participate in the**
45 **presentation of an annual report to the office of the state auditor verifying cost savings and**
46 **efficiency improvements made during the prior fiscal year or tracking cost savings or**
47 **efficiency improvements resulting from changes that were specified in a prior report. Such**
48 **reports shall be forwarded to the general assembly by the office of the state auditor**
49 **together with the analysis conducted under subsections 9 and 10 of this section.**

50 **9. The office of the state auditor shall conduct its own analysis of the annual reports**
51 **and make recommendations concerning the overall accuracy of the reports to the general**
52 **assembly beginning January 1, 2020, and each year thereafter.**

53 **10. The office of the state auditor shall not compare or quantify cost savings and**
54 **efficiency gains in the output of public sector services into any single metric or ranking, but**

55 shall attempt to verify whether agency reports of cost savings or efficiency gains are
56 reasonably accurate under a recognized or established methodology for describing such
57 savings or gains including, but not limited to, federal or state government standards for
58 performance audits or measurement of cost savings and efficiency gains.

59 11. Departments receiving moneys from the fund upon general assembly
60 appropriation shall implement salary increases in a uniform manner on an agency-wide
61 basis except that directors or other leadership whose salary is set by general law or rule
62 may be exempt from such uniform increase. A uniform increase in salary may be based
63 upon a percentage increase of existing salaries.

✓