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Subject: Session Shortener - H3340

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Feel free to forward to whoever...or I'm glad to discuss with anyone...but a couple of brief thoughts on shortening the legislative session...

First, obviously the Governor is supportive of this. Speaking specifically to Rep. Bannister's H.3340, though, we would like to make a suggestion. H.3340 effectively shortens the session by dropping a month at both ends...starting a month later (2<sup>nd</sup> Tuesday in February) and adjourning sine die a month earlier (1<sup>st</sup> Thursday in May). What we would propose would be to leave the end date where it is in early June, and instead, to start two months later than today (2<sup>nd</sup> Tuesday in March).

There are two reasons to make this change. The primary reason is because the most important thing the legislature does each year is pass a budget. The current version of H.3340 effectively makes the budget due a month earlier than it is now (early May instead of early June). This is problematic because it means the final data we have when we pass the budget will be a month further away from the start of the relevant fiscal year. So it means we'd have significantly less certainty as to what current year collections have looked like, and also revenue forecasts for the plan year that are one month "hazier," if that makes any sense.

In English, the earlier the budget is due, the larger the margin of error in our revenue projections for the plan year. Making the budget due a month earlier increases the likelihood that there will be deficits – not dramatically, but enough that I think our proposal makes a little more sense.

I would also point out that next Friday (Feb. 15<sup>th</sup>) is when the BEA will update its revenue forecast for FY 2013-14. So far, the House has been working with the same numbers we were given back in November. With the unamended H.3340, the House would still be stuck at the Ways and Means subcommittee level with the November forecast, and would then pivot mid-process to the new February number. If the session began at the beginning of March, then Ways and Means could work with the new February figure from Day 1.

The second, and significantly less important, reason to start two months later instead of chopping a month off of both ends is that it makes for a shorter Constitutional amendment...and therefore, a shorter ballot question and explanatory statement for the voters to interpret. It's easier to explain and understand, because now you wouldn't be modifying the end date at all – just the start date.

Like I said – glad to discuss with whoever. Thanks.

CLS

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