

SENATE BILL NO. 422

INTRODUCED BY VAN VALKENBURG

IN THE SENATE

February 15, 1985	Introduced and referred to Committee on State Administration.
February 20, 1985	Fiscal Note requested.
February 21, 1985	Committee recommend bill do pass as amended. Report adopted.
February 22, 1985	Fiscal Note returned.  Bill printed and placed on members' desks.
February 23, 1985	Second reading, do pass.
February 25, 1985	Considered correctly engrossed.  Third reading, passed. Ayes, 47; Noes, 0.  Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on State Administration.
March 22, 1985	Committee recommend bill be concurred in. Report adopted.
March 23, 1985	Second reading, concurred in.
March 26, 1985	Third reading, concurred in.  Returned to Senate.

IN THE SENATE

March 26, 1985

Received from House.

March 27, 1985

Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. *422*  
 2 INTRODUCED BY *Va Valkenburg*  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE LAW  
 5 RELATING TO STATE AGENCY PROGRAM BUDGETS; REQUIRING ALL  
 6 AGENCIES TO PROVIDE SPECIFIC GOALS AND OBJECTIVES AND TO  
 7 REQUIRE CERTAIN INFORMATION RELATING TO BONDED INDEBTEDNESS  
 8 OF THE UNIVERSITY SYSTEM; AMENDING SECTION 17-7-111, MCA."  
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 17-7-111, MCA, is amended to read:

12 "17-7-111. Agency program budgets -- form distribution  
 13 and contents. (1) In the preparation of a state budget, the  
 14 budget director shall, not later than July 1 in the year  
 15 preceding the convening of the legislature, distribute to  
 16 all state offices and departments, including the judicial  
 17 branch and the legislative branch, the proper forms  
 18 necessary for the preparation of budget estimates. These  
 19 forms shall be prescribed by the budget director to procure  
 20 the information required by subsection (2).

21 (2) The agency budget requests, when completed by the  
 22 budget office, must set forth a balanced financial plan for  
 23 the agency completing the forms for each fiscal year of the  
 24 ensuing biennium. The plan must consist of:

25 (a) a consolidated agency budget summary for current

1 level expenditures and for each modification request setting  
 2 forth the aggregate figures of the full-time equivalent  
 3 personnel positions (FTE) and the budget in such manner as  
 4 to show a balance between the total proposed disbursements  
 5 and the total anticipated receipts, together with the other  
 6 means of financing the budget for each fiscal year of the  
 7 ensuing biennium, contrasted with the corresponding figures  
 8 for the last completed fiscal year and the fiscal year in  
 9 progress. The consolidated budget summary must be supported  
 10 by schedules classifying receipts and disbursements  
 11 contained therein by fund and, where applicable,  
 12 organizational unit.

13 (b) a schedule of the actual and projected receipts,  
 14 disbursements, and solvency of each accounting entity within  
 15 each fund for the current and subsequent biennium;

16 (c) a detailed schedule of receipts, by accounting  
 17 entity within each fund, indicating classification and  
 18 source of funds;

19 (d) an agency schedule summarizing past and proposed  
 20 spending plans and the means of financing the proposed plan.  
 21 Information presented shall include the following:

22 (i) a statement of agency goals and objectives and a  
 23 statement of goals and objectives for each program of the  
 24 agency. Such goals and objectives must include sufficient  
 25 specific information and quantifiable information to enable



1 the legislature to formulate an appropriations policy  
 2 regarding the agency and its programs and to allow a  
 3 determination, at some future date, on whether the agency  
 4 has succeeded in attaining its goals and objectives.

5 (ii) actual FTE and disbursements for the completed  
 6 fiscal year of the current biennium, estimated FTE and  
 7 disbursements for the current fiscal year, and the agency's  
 8 request for the ensuing biennium, by program; and

9 (iii) actual disbursements for the completed fiscal  
 10 year of the current biennium, estimated disbursements for  
 11 the current fiscal year, and the agency's recommendations  
 12 for the ensuing biennium, by disbursement category;

13 (e) any other information the budget director feels is  
 14 necessary for the preparation of a budget.

15 (3) The budget director must also prepare and submit  
 16 to the legislative fiscal analyst in accordance with  
 17 17-7-112:

18 (a) detailed recommendations for the state long-range  
 19 building program. Each recommendation shall be presented by  
 20 department, institution, agency, or branch by funding  
 21 source, with a description of each proposed project; and

22 (b) the proposed pay plan schedule for all executive  
 23 branch employees, with the specific cost and funding  
 24 recommendations for each agency. Submission of a pay plan  
 25 schedule under this subsection is not an unfair labor

1 practice under 39-31-401.

2 (4) The board of regents shall submit, with its budget  
 3 request for each university unit in accordance with  
 4 17-7-112, a report on the university system bonded  
 5 indebtedness and related finances as provided in this  
 6 subsection (4). The report must include the following  
 7 information for each year of the biennium, contrasted with  
 8 the same information for the last completed fiscal year and  
 9 the fiscal year in progress:

10 (a) a schedule of estimated total bonded indebtedness  
 11 for each university unit by bond indenture;

12 (b) a schedule of estimated revenue, expenditures, and  
 13 fund balances by fiscal year for each outstanding bond  
 14 indenture, clearly delineating the accounts relating to each  
 15 indenture and the minimum legal funding requirements for  
 16 each bond indenture; and

17 (c) a schedule showing the total funds available from  
 18 each bond indenture and its associated accounts, with a list  
 19 of commitments and planned expenditures from such accounts,  
 20 itemized by revenue source and project for each year of the  
 21 current and ensuing bienniums."

-End-

STATE OF MONTANA  
FISCAL NOTE

REQUEST NO. FNN491-85

Form BD-15

In compliance with a written request received February 20 19 85, there is hereby submitted a Fiscal Note for S.B. 422 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring specific and quantifiable goals and objectives from each agency and program when submitting budget requests. Also requires University System budget requests to include certain information relating to bonded indebtedness.

ASSUMPTIONS:

1. That "sufficient specific information and quantifiable information" means information that is currently available and does not require significant changes to data collection, reporting and processing systems.
2. That not all program objectives are specifically quantifiable.
3. That OBPP will not be required to validate quantifiable measurements or provide variance reports as was the case under the Priority Budgeting System that was repealed in 1979.

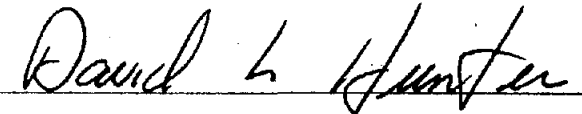
FISCAL IMPACT:

Using the assumptions listed above, this bill will have minimal fiscal impact.

If the assumptions are not correct and the intent requires substantial modification and validation of measurement information, there will be substantial fiscal impact on agencies and OBPP.

When OBPP used the Priority Budgeting System on only six pilot budgets, four additional staff analyst positions were necessary to provide verification and maintenance of measurement data used in the system. Agencies also incurred costs in order to maintain data that had not been accumulated in the past. It was estimated that the system created four times the paperwork of the regular incremental system. Implementation of the system for all budgets would have been extremely costly.

Using today's salary guidelines, the four additional analysts that OBPP has eliminated from its budget, would cost about \$110,000 per year.



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Feb 22, 1985

SB422

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

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 7    REQUIRE CERTAIN INFORMATION RELATING TO BONDED INDEBTEDNESS  
 8    OF THE UNIVERSITY SYSTEM; AMENDING SECTION 17-7-111, MCA."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11       Section 1. Section 17-7-111, MCA, is amended to read:

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 13    and contents. (1) In the preparation of a state budget, the  
 14    budget director shall, not later than July 1 in the year  
 15    preceding the convening of the legislature, distribute to  
 16    all state offices and departments, including the judicial  
 17    branch and the legislative branch, the proper forms  
 18    necessary for the preparation of budget estimates. These  
 19    forms shall be prescribed by the budget director to procure  
 20    the information required by subsection (2).

21       (2) The agency budget requests, when completed by the  
 22    budget office, must set forth a balanced financial plan for  
 23    the agency completing the forms for each fiscal year of the  
 24    ensuing biennium. The plan must consist of:

25       (a) a consolidated agency budget summary for current

1    level expenditures and for each modification request setting  
 2    forth the aggregate figures of the full-time equivalent  
 3    personnel positions (FTE) and the budget in such manner as  
 4    to show a balance between the total proposed disbursements  
 5    and the total anticipated receipts, together with the other  
 6    means of financing the budget for each fiscal year of the  
 7    ensuing biennium, contrasted with the corresponding figures  
 8    for the last completed fiscal year and the fiscal year in  
 9    progress. The consolidated budget summary must be supported  
 10   by schedules classifying receipts and disbursements  
 11   contained therein by fund and, where applicable,  
 12   organizational unit.

13       (b) a schedule of the actual and projected receipts,  
 14    disbursements, and solvency of each accounting entity within  
 15    each fund for the current and subsequent biennium;

16       (c) a detailed schedule of receipts, by accounting  
 17    entity within each fund, indicating classification and  
 18    source of funds;

19       (d) an agency schedule summarizing past and proposed  
 20    spending plans and the means of financing the proposed plan.  
 21    Information presented shall include the following:

22       (i) a statement of agency goals and objectives and a  
 23    statement of goals and objectives for each program of the  
 24    agency; Such goals and objectives must include, IN A  
 25    CONCISE FORM, sufficient specific information and



1 quantifiable information to enable the legislature to  
 2 formulate an appropriations policy regarding the agency and  
 3 its programs and to allow a determination, at some future  
 4 date, on whether the agency has succeeded in attaining its  
 5 goals and objectives.

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 7 fiscal year of the current biennium, estimated FTE and  
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14 (e) any other information the budget director feels is  
 15 necessary for the preparation of a budget.

16 (3) The budget director must also prepare and submit  
 17 to the legislative fiscal analyst in accordance with  
 18 17-7-112:

19 (a) detailed recommendations for the state long-range  
 20 building program. Each recommendation shall be presented by  
 21 department, institution, agency, or branch by funding  
 22 source, with a description of each proposed project; and

23 (b) the proposed pay plan schedule for all executive  
 24 branch employees, with the specific cost and funding  
 25 recommendations for each agency. Submission of a pay plan

1 schedule under this subsection is not an unfair labor  
 2 practice under 39-31-401.

3 (4) The board of regents shall submit, with its budget  
 4 request for each university unit in accordance with  
 5 17-7-112, a report on the university system bonded  
 6 indebtedness and related finances as provided in this  
 7 subsection (4). The report must include the following  
 8 information for each year of the biennium, contrasted with  
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18 (c) a schedule showing the total funds available from  
 19 each bond indenture and its associated accounts, with a list  
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