

HB 693 INTRODUCED BY MERCER, ET AL.
REQUIRE STATE AGENCIES TO PRIORITIZE THEIR PROGRAMS

2/10 INTRODUCED
2/10 REFERRED TO STATE ADMINISTRATION
2/11 FISCAL NOTE REQUESTED
2/12 HEARING
2/12 COMMITTEE REPORT--BILL PASSED
2/17 FISCAL NOTE RECEIVED
2/20 2ND READING NOT PASSED AS AMENDED 48 46

1 House BILL NO. 693
 2 INTRODUCED BY MERCER Cobb Wynfan Beck Carlson
 3 duberg Masby Ramsey Spaeth Thompson Miller Smith Switzer Wright Hoffmann
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING STATE
 5 AGENCIES TO PRIORITIZE THEIR PROGRAMS AND RECOMMEND WAYS TO

6 REDUCE THE COSTS OF THE PROGRAMS; AND REQUIRING THE BUDGET
 7 DIRECTOR TO SUBMIT A REPORT TO THE LEGISLATURE CONTAINING
 8 THE AGENCIES' PRIORITIZED LISTS AND RECOMMENDATIONS."

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

11 Section 1. Agencies to prioritize programs -- budget
 12 director to submit report to the legislature. (1) In the
 13 year before the legislature convenes in regular session,
 14 each agency in the executive, legislative, and judicial
 15 branches of state government, including the Montana
 16 university system, shall review its expenditures and
 17 operations with the goal of reducing its appropriation for
 18 the next biennium by at least 10% of the amount appropriated
 19 for the current biennium. To assist in achieving this goal,
 20 the agency shall prioritize its programs, identifying those
 21 programs that, if no longer continued, would have, in the
 22 agency's opinion, the least impact on the health, welfare,
 23 and economic well-being of the citizens of Montana.

24 (2) When prioritizing its programs, the agency shall
 25 identify each program as a distinct entity, capable of

1 evaluation and cost analysis. For each program, the agency
 2 shall consider:

- 3 (a) the minimum funding needed to operate the program;
- 4 (b) the benefits to Montana citizens of funding the
 5 program;
- 6 (c) the consequences of abolishing the program;
- 7 (d) alternative ways of efficiently operating the
 8 program, including eliminating administrative oversight
 9 functions and combining support services of the program with
 10 other programs;
- 11 (e) for those programs that benefit a select segment
 12 of the citizenry, whether user fees are appropriate or
 13 adequate to partially or totally fund the program; and
- 14 (f) any other factors that would assist in evaluating
 15 the program for prioritizing purposes.

16 (3) On or before September 1 in the year before the
 17 legislature convenes, the agency shall submit to the budget
 18 director a list ranking its programs in order of importance,
 19 together with recommendations for eliminating, reducing, or
 20 restructuring programs to achieve the reduction specified in
 21 subsection (1).

22 (4) The budget director shall compile the lists and
 23 recommendations submitted under subsection (3) and submit a
 24 written report containing such information to each member of
 25 the legislature at the same time that the budget is

LC 1344/01

1 submitted under 17-7-122.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB693, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require that all state agencies prioritize their programs and recommend ways to reduce program costs.

ASSUMPTIONS:

1. The present budget system, with some minor modifications, will be adequate in obtaining information required by this legislation.
2. Agencies will comply with provisions of this act by re-directing current staff work responsibilities.
3. 300 copies of agency documents will be produced at an average cost of \$40 each.

FISCAL IMPACT:

General Fund Expenditures:	<u>FY88</u>	<u>FY89</u>
Printing costs	-0-	\$12,000

David L. Hunter DATE 2/17/87

DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

MERCER DATE 2/18/87
JOHN MERCER, PRIMARY SPONSOR

Fiscal Note for HB693, as introduced.

HB 693

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

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2 INTRODUCTION BY *House* BILL NO. *693*
idberg *Mercer* *Cobb* *Wynne* *Peck* *Bowdler*
Debn *Ramsey* *Spaeth* *Thoft* *Meade* *NATH*
Milly *Switz* *Switzer* *Hoffman*
 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING STATE

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