

SENATE BILL 6

Introduced by Towe, et al.

7/09	Fiscal Note Requested
7/09	Introduced
7/09	Referred to Finance & Claims
7/09	First Reading
7/10	Fiscal Note Received
7/10	Fiscal Note Printed
7/15	Hearing
7/15	Committee Report--Bill Passed as Amended
7/15	2nd Reading Passed
7/15	3rd Reading Passed
	Transmitted to House
7/16	First Reading
7/16	Referred to State Administration
7/16	Hearing
7/16	Committee Report--Bill Concurred
7/16	2nd Reading Concur Motion Failed

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SENATE BILL NO. 6

INTRODUCED BY

Rep. Bob Brown

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A FINANCIAL INCENTIVE TO THE DIRECTOR OF A DEPARTMENT TO REDUCE THE ADMINISTRATIVE BUREAUCRACY WITHIN A DEPARTMENT; AMENDING SECTION 2-15-112, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 2-15-112, MCA, is amended to read:

"2-15-112. Duties and powers of department heads. (1) Except as otherwise provided by law, each department head shall:

(a) supervise, direct, account for, organize, plan, administer, and execute the functions vested in the department by this chapter or other law;

(b) establish the policy to be followed by the department and employees;

(c) compile and submit reports and budgets for the department as required by law or requested by the governor;

(d) provide the governor with any information that he requests at any time on the operation of the department;

(e) represent the department in communications with the governor;

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(f) prescribe rules, consistent with law and rules established by the governor, for the administration of the department; the conduct of the employees; the distribution and performance of business; and the custody, use, and preservation of the records, documents, and property pertaining to department business. The lieutenant governor, secretary of state, attorney general, auditor, and superintendent of public instruction may prescribe their own rules for their departments or offices, and the governor may not prescribe rules for them. The rules described in this subsection are limited to statements concerning only the internal management of the agency and not affecting private rights or procedures available to the public. This section does not authorize the adoption of any rule as rules are defined in the Montana Administrative Procedure Act.

(g) subject to the approval of the governor, establish the internal organizational structure of the department and allocate the functions of the department to units to promote the economic and efficient administration and operation of the department. The internal structure of the department shall be established in accordance with 2-15-104(2).

(h) subject to law, establish and make appointments to necessary subordinate positions and abolish unnecessary positions;

(i) maintain a central office in Helena for the

1 department and such other facilities throughout the state as  
2 may be required for the effective and efficient operation of  
3 the department.

4 (2) Except as otherwise provided by law, each  
5 department head may:

6 (a) subject to law, transfer employees between  
7 positions, remove persons appointed to positions, and change  
8 the duties, titles, and compensation of employees within the  
9 department;

10 (b) delegate any of the functions vested in the  
11 department head to subordinate employees;

12 (c) apply for, accept, administer, and expend funds,  
13 grants, gifts, and loans from the federal government or any  
14 other source in administering the department's functions;

15 (d) enter into agreements with federal, state, and  
16 local agencies necessary to carry out the department's  
17 functions; and

18 (e) eliminate unnecessary bureaucracy by eliminating  
19 administrative positions within the department. One-half of  
20 the savings resulting from the elimination of a position  
21 that is not critical to the delivery of direct services may  
22 be expended at the discretion of the department head,  
23 provided that the expenditure is consistent with the goals  
24 and objectives of the department. The remaining one-half  
25 must revert to the original funding source. This subsection

1 (e) does not apply to an agency allocated to a department  
2 for administrative purposes, as provided in 2-15-121.  
3 Section 17-8-103 does not apply to this subsection (e)."

4 NEW SECTION. Section 2. Effective date. [This act] is  
5 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

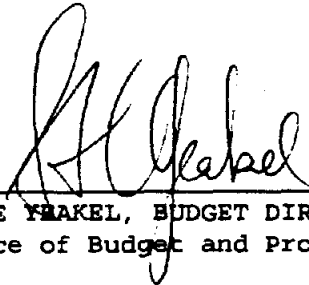
In compliance with a written request, there is hereby submitted a Fiscal Note for SB0006, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing a financial incentive to the director of a department to reduce the administrative bureaucracy within a department; and providing an immediate effective date.

FISCAL IMPACT:

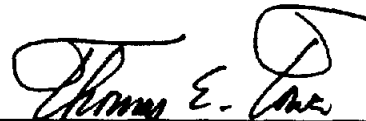
The permissive nature of the proposal does not allow for a prediction of which positions, if any, might be eliminated. Therefore, the fiscal impact of the proposed legislation cannot be estimated.



7/10/12

STEVE YRAKEL, BUDGET DIRECTOR  
Office of Budget and Program Planning

DATE



THOMAS E. "TOM" TOWE, PRIMARY SPONSOR

DATE

Fiscal Note for SB0006, as introduced

5B6

APPROVED BY COMM. ON  
FINANCE AND CLAIMS

SENATE BILL NO. 6

INTRODUCED BY TOWE, B. BROWN

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE DUTIES OF DEPARTMENT HEADS; PROVIDING A FINANCIAL INCENTIVE TO THE DIRECTOR OF A DEPARTMENT TO REDUCE THE ADMINISTRATIVE BUREAUCRACY POSITIONS WITHIN A DEPARTMENT; REQUIRING A DEPARTMENT HEAD TO PRIORITIZE THE DUTIES OF THE DEPARTMENT IN SUBMITTING A BUDGET; AMENDING SECTION SECTIONS 2-15-112 AND 17-7-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 2-15-112, MCA, is amended to read:

**\*2-15-112. Duties and powers of department heads.** (1)

Except as otherwise provided by law, each department head shall:

(a) supervise, direct, account for, organize, plan, administer, and execute the functions vested in the department by this chapter or other law;

(b) establish the policy to be followed by the department and employees;

(c) compile and submit reports and budgets for the department as required by law or requested by the governor;

(d) provide the governor with any information that he

requests at any time on the operation of the department;

(e) represent the department in communications with the governor;

(f) prescribe rules, consistent with law and rules established by the governor, for the administration of the department; the conduct of the employees; the distribution and performance of business; and the custody, use, and preservation of the records, documents, and property pertaining to department business. The lieutenant governor, secretary of state, attorney general, auditor, and superintendent of public instruction may prescribe their own rules for their departments or offices, and the governor may not prescribe rules for them. The rules described in this subsection are limited to statements concerning only the internal management of the agency and not affecting private rights or procedures available to the public. This section does not authorize the adoption of any rule as rules are defined in the Montana Administrative Procedure Act.

(g) subject to the approval of the governor, establish the internal organizational structure of the department and allocate the functions of the department to units to promote the economic and efficient administration and operation of the department. The internal structure of the department shall be established in accordance with 2-15-104(2).

(h) subject to law, establish and make appointments to

1 necessary subordinate positions and abolish unnecessary  
2 positions;

3 (i) maintain a central office in Helena for the  
4 department and such other facilities throughout the state as  
5 may be required for the effective and efficient operation of  
6 the department;

7 (J) SUBMIT, AS PART OF THE AGENCY GOALS AND OBJECTIVES  
8 CONTAINED IN THE AGENCY PROGRAM BUDGET PREPARED PURSUANT TO  
9 17-7-111, A PRIORITIZED LIST OF THE DUTIES ASSIGNED BY LAW  
10 TO THE AGENCY.

11 (2) Except as otherwise provided by law, each  
12 department head may:

13 (a) subject to law, transfer employees between  
14 positions, remove persons appointed to positions, and change  
15 the duties, titles, and compensation of employees within the  
16 department;

17 (b) delegate any of the functions vested in the  
18 department head to subordinate employees;

19 (c) apply for, accept, administer, and expend funds,  
20 grants, gifts, and loans from the federal government or any  
21 other source in administering the department's functions;

22 (d) enter into agreements with federal, state, and  
23 local agencies necessary to carry out the department's  
24 functions; and

25 (e) eliminate unnecessary bureaucracy--by--eliminating

1 administrative positions within the department. One-half of  
2 the savings resulting from the elimination of a position  
3 that is not critical to the delivery of direct services may  
4 be expended at the discretion of the department head,  
5 provided that the expenditure is consistent with the goals  
6 and objectives of the department. The remaining one-half  
7 must revert to the original funding source. This subsection  
8 (e) does not apply to an agency allocated to a department  
9 for administrative purposes, as provided in 2-15-121.  
10 Section ~~17-8-103~~ 17-7-138 does not apply to this subsection  
11 (e)."

12 **SECTION 2. SECTION 17-7-111, MCA, IS AMENDED TO READ:**

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

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

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

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

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

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

23 (i) a statement of agency goals and objectives and a  
 24 statement of goals and objectives for each program of the  
 25 agency. Such goals and objectives must include, in a concise

1 form, sufficient specific information and quantifiable  
 2 information to enable the legislature to formulate an  
 3 appropriations policy regarding the agency and its programs  
 4 and to allow a determination, at some future date, on  
 5 whether the agency has succeeded in attaining its goals and  
 6 objectives. The goals and objectives must contain a list of  
 7 duties prioritized by the department director to reflect the  
 8 director's opinion concerning the importance of the duties  
 9 assigned to the agency by law. Any duties performed by the  
 10 agency that are not assigned by law must also be enumerated.

11 (ii) actual FTE and disbursements for the completed  
 12 fiscal year of the current biennium, estimated FTE and  
 13 disbursements for the current fiscal year, and the agency's  
 14 request for the ensuing biennium, by program; and

15 (iii) actual disbursements for the completed fiscal year  
 16 of the current biennium, estimated disbursements for the  
 17 current fiscal year, and the agency's recommendations for  
 18 the ensuing biennium, by disbursement category;

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

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

23 (a) detailed recommendations for the state long-range  
 24 building program. Each recommendation shall be presented by  
 25 department, institution, agency, or branch by funding

1 source, with a description of each proposed project; and

2 (b) the proposed pay plan schedule for all executive  
3 branch employees, with the specific cost and funding  
4 recommendations for each agency. Submission of a pay plan  
5 schedule under this subsection is not an unfair labor  
6 practice under 39-31-401.

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

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

17 (b) a schedule of estimated revenue, expenditures, and  
18 fund balances by fiscal year for each outstanding bond  
19 indenture, clearly delineating the accounts relating to each  
20 indenture and the minimum legal funding requirements for  
21 each bond indenture; and

22 (c) a schedule showing the total funds available from  
23 each bond indenture and its associated accounts, with a list  
24 of commitments and planned expenditures from such accounts,  
25 itemized by revenue source and project for each year of the

1 current and ensuing bienniums."

2 NEW SECTION. **Section 3. Effective date.** [This act] is  
3 effective on passage and approval.

-End-



1 SENATE BILL NO. 6

2 INTRODUCED BY TOWE, B. BROWN

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE  
5 DUTIES OF DEPARTMENT HEADS; PROVIDING A FINANCIAL INCENTIVE  
6 TO THE DIRECTOR OF A DEPARTMENT TO REDUCE THE ADMINISTRATIVE  
7 BUREAUCRACY POSITIONS WITHIN A DEPARTMENT; REQUIRING A  
8 DEPARTMENT HEAD TO PRIORITIZE THE DUTIES OF THE DEPARTMENT  
9 IN SUBMITTING A BUDGET; AMENDING SECTION SECTIONS 2-15-112  
10 AND 17-7-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
11 DATE."

12  
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 2-15-112, MCA, is amended to read:

15 "2-15-112. Duties and powers of department heads. (1)  
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18 (a) supervise, direct, account for, organize, plan,  
19 administer, and execute the functions vested in the  
20 department by this chapter or other law;

21 (b) establish the policy to be followed by the  
22 department and employees;

23 (c) compile and submit reports and budgets for the  
24 department as required by law or requested by the governor;

25 (d) provide the governor with any information that he

1 requests at any time on the operation of the department;

2 (e) represent the department in communications with the  
3 governor;

4 (f) prescribe rules, consistent with law and rules  
5 established by the governor, for the administration of the  
6 department; the conduct of the employees; the distribution  
7 and performance of business; and the custody, use, and  
8 preservation of the records, documents, and property  
9 pertaining to department business. The lieutenant governor,  
10 secretary of state, attorney general, auditor, and  
11 superintendent of public instruction may prescribe their own  
12 rules for their departments or offices, and the governor may  
13 not prescribe rules for them. The rules described in this  
14 subsection are limited to statements concerning only the  
15 internal management of the agency and not affecting private  
16 rights or procedures available to the public. This section  
17 does not authorize the adoption of any rule as rules are  
18 defined in the Montana Administrative Procedure Act.

19 (g) subject to the approval of the governor, establish  
20 the internal organizational structure of the department and  
21 allocate the functions of the department to units to promote  
22 the economic and efficient administration and operation of  
23 the department. The internal structure of the department  
24 shall be established in accordance with 2-15-104(2).

25 (h) subject to law, establish and make appointments to

1 necessary subordinate positions and abolish unnecessary  
2 positions;

3 (i) maintain a central office in Helena for the  
4 department and such other facilities throughout the state as  
5 may be required for the effective and efficient operation of  
6 the department;

7 (J) SUBMIT, AS PART OF THE AGENCY GOALS AND OBJECTIVES  
8 CONTAINED IN THE AGENCY PROGRAM BUDGET PREPARED PURSUANT TO  
9 17-7-111, A PRIORITIZED LIST OF THE DUTIES ASSIGNED BY LAW  
10 TO THE AGENCY.

11 (2) Except as otherwise provided by law, each  
12 department head may:

13 (a) subject to law, transfer employees between  
14 positions, remove persons appointed to positions, and change  
15 the duties, titles, and compensation of employees within the  
16 department;

17 (b) delegate any of the functions vested in the  
18 department head to subordinate employees;

19 (c) apply for, accept, administer, and expend funds,  
20 grants, gifts, and loans from the federal government or any  
21 other source in administering the department's functions;

22 (d) enter into agreements with federal, state, and  
23 local agencies necessary to carry out the department's  
24 functions; and

25 (e) eliminate unnecessary bureaucracy--by--eliminating

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2 the savings resulting from the elimination of a position  
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12 **SECTION 2. SECTION 17-7-111, MCA, IS AMENDED TO READ:**

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

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

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

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

20 (d) an agency schedule summarizing past and proposed  
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 4 and to allow a determination, at some future date, on  
 5 whether the agency has succeeded in attaining its goals and  
 6 objectives. The goals and objectives must contain a list of  
 7 duties prioritized by the department director to reflect the  
 8 director's opinion concerning the importance of the duties  
 9 assigned to the agency by law. Any duties performed by the  
 10 agency that are not assigned by law must also be enumerated.

11 (ii) actual FTE and disbursements for the completed  
 12 fiscal year of the current biennium, estimated FTE and  
 13 disbursements for the current fiscal year, and the agency's  
 14 request for the ensuing biennium, by program; and

15 (iii) actual disbursements for the completed fiscal year  
 16 of the current biennium, estimated disbursements for the  
 17 current fiscal year, and the agency's recommendations for  
 18 the ensuing biennium, by disbursement category;

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

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

23 (a) detailed recommendations for the state long-range  
 24 building program. Each recommendation shall be presented by  
 25 department, institution, agency, or branch by funding

1 source, with a description of each proposed project; and

2 (b) the proposed pay plan schedule for all executive  
3 branch employees, with the specific cost and funding  
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7 (4) The board of regents shall submit, with its budget  
8 request for each university unit in accordance with  
9 17-7-112, a report on the university system bonded  
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19 indenture, clearly delineating the accounts relating to each  
20 indenture and the minimum legal funding requirements for  
21 each bond indenture; and

22 (c) a schedule showing the total funds available from  
23 each bond indenture and its associated accounts, with a list  
24 of commitments and planned expenditures from such accounts,  
25 itemized by revenue source and project for each year of the

1 current and ensuing bienniums."

2 NEW SECTION. **Section 3.** Effective date. [This act] is  
3 effective on passage and approval.

-End-