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INTRODUCED BY *Smith Beck Lynch* House BILL NO. *557* *DENNY* *Booksout*

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE DIRECTOR OF THE OFFICE OF BUDGET AND PROGRAM PLANNING, ON BEHALF OF THE GOVERNOR, TO COMPILE, ANALYZE, AND MAKE AVAILABLE CERTAIN INFORMATION RELATING TO THE ADMINISTRATIVE COSTS OF GOVERNMENT; AND AMENDING SECTION 17-7-124, MCA."

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

**Section 1.** Section 17-7-124, MCA, is amended to read:

**"17-7-124. Additional budget data.** In addition to the budget required in 17-7-123, the budget director, on behalf of the governor, shall prepare and make available on request:

(1) a departmental analysis summarizing past and proposed spending plans by agency and the means of financing the proposed plan. Information available must include the following:

(a) a statement of departmental goals and objectives and a statement of goals and objectives for each program of the department; and

(b) schedules showing the number of employees who were given a pay grade change under the pay schedule implemented pursuant to 2-18-303 and the net cost to the agency for the grade changes for the biennium. The changes must be listed in tabular form by:

- (i) position description;
- (ii) grade assigned prior to the completed fiscal year;
- (iii) grade assigned during the completed fiscal year;
- (iv) grade assigned during the current fiscal year;
- (v) recommended grade for the ensuing biennium;
- (vi) dollar difference for the upgrade or downgrade for each position; and
- (vii) net cost to the agency for grade changes.

(2) appropriation measures detailed by program, fund, and accounting entity, authorizing disbursements and related restrictions by department, institution, or agency of the state; ~~and~~

(3) by fiscal year, the level of administrative costs, as defined in 17-1-502, for each program,

1 categorized by personal services, operations, and capital expenditures, and a comparison of the  
2 administrative costs to objective measures of products produced or services delivered by the program. The  
3 comparison must be by ratio and may also be by year-to-year, by biennium-to-biennium, with other states  
4 within the region, or by other descriptive methods. Examples of objective measures include but are not  
5 limited to:

6 (a) the numbers of inmates committed to or released from the department of corrections, including  
7 the state prison, the women's correctional system, and other institutions;

8 (b) the numbers of persons determined eligible for medicaid, for the families achieving  
9 independence in Montana project, or for other programs whose function is to provide public assistance;

10 (c) the numbers of citations issued, by type or category of violation or infraction, by the  
11 departments of:

12 (i) fish, wildlife, and parks;

13 (ii) livestock;

14 (iii) justice, including the Montana highway patrol;

15 (iv) environmental quality;

16 (v) public health and human services;

17 (vi) labor and industry; and

18 (vii) transportation;

19 (d) by judicial district, the numbers of cases filed and disposed of, by type or category of case, and  
20 the numbers of cases filed with and disposed of by the supreme court;

21 (e) the numbers of inspections undertaken by the departments of:

22 (i) fish, wildlife, and parks;

23 (ii) livestock;

24 (iii) justice, including the Montana highway patrol;

25 (iv) environmental quality;

26 (v) public health and human services;

27 (vi) labor and industry; and

28 (vii) transportation;

29 (f) the numbers of bills requested, introduced, and passed by the legislature;

30 (g) the numbers of students enrolled during the year in or graduated during the year from each

1 university system unit, reported separately by each unit and for each degree program and listed by  
2 undergraduate and graduate students; and

3 (h) similar types or categories of objective measures, whether inputs or outputs, for each program  
4 within the budget; and

5 (4) information submitted by agencies as required by 17-7-111."

6 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0557, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill requiring the director of the Office of Budget and Program Planning (OBPP), on behalf of the Governor, to compile, analyze, and make available certain information relating to the administrative cost of government.

ASSUMPTIONS:

1. The definition of administrative costs as defined in 17-1-502, MCA, includes personal services, operating expenses, and capital expenses.
2. For purposes of implementing the proposed bill, capital expenses would be defined as equipment and intangible assets (object of expenditure codes 3000 series), capital outlay (4000 series), and debt service (9000 series).
3. The OBPP staff would need to work with state agencies to develop a plan for incorporating local assistance (5000 series), grants to counties, cities, etc. (6000 series), and benefits and claims (7000 series) into the program ratios required by the proposed bill. This additional task can be incorporated into the 1999 biennium work plan under the recommended Executive Budget.
4. If assumptions 2 and 3 are acceptable means to implement the proposal, the required expenditure information will be extractable from the Statewide Budgeting and Accounting System (SBAS).
5. State agencies also will be able to manage the additional work required to develop the objective measures of products and services for each program.
6. Given these assumptions, the requested information could be provided by current OBPP and state agency staff.

FISCAL IMPACT:

Passage of HB 557 will have no fiscal impact on state government.

TECHNICAL NOTES:

1. If the intent of the bill were to separate "overhead" from "direct costs" by program and then compare to a performance factor, this would consume significantly more time, and depending on agency assistance and time restraints, FTEs might be needed by OBPP.

Dave Lewis 2-17-97  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

Liz Smith  
LIZ SMITH, PRIMARY SPONSOR      DATE

Fiscal Note for HB0557, as introduced

**HB 557**