





1 implementation of competition and efficiency in state government services.

2 (4) "Competition team" or "team" means the group of state employees who have been selected  
3 by their colleagues to lead their workplace unit in the competitive process.

4 (5) "Competitive government process" or "competitive process" means applying the principles and  
5 schedules contained in the handbook to a specific state program, service, or function that has been  
6 approved by the council for participation and that either is authorized by law to be part of the process or  
7 is proposed to be performed by the private sector under a contract that is scheduled to be renegotiated  
8 sometime within 3 years from the date of council approval for participation.

9 (6) "Eligible state employee" means a state employee who worked at least 20 hours a week for  
10 a total of 1,040 hours in the year immediately preceding the effective date on which the service is awarded  
11 to a successful bidder.

12 (7) "Handbook" means the state competitive government notebook prepared and maintained by  
13 the office of budget and program planning, with input from the council, as the reference and training  
14 document to guide state employees and the private sector throughout the competitive process.

15 (8) "Private sector" means:

16 (a) any entity or individual not principally a part of a governmental unit and that is associated with  
17 or involved in commercial activity;

18 (b) a not-for-profit entity or an individual not principally a part of a governmental unit; or

19 (c) an entity established by an interlocal agreement pursuant to Title 7, chapter 11, part 1.

20 (9) "Privatize" or "privatization" means contracting as a result of the competitive process with the  
21 private sector. The term includes the sale or lease of equipment, buildings, land, and other assets required  
22 to provide a state government service if the state does intend to directly deliver the service.

23 (10) "Program" has the meaning provided in 17-7-102, consistent with the management and  
24 accountability structure established on the statewide budgeting and accounting system, that is identified  
25 in the general appropriations act as a major subdivision of an agency and that is ordinarily numbered with  
26 an Arabic numeral.

27 (11) "Service" or "function" means a combination of resources and activities designed to achieve  
28 an objective of state government.

29 (12) "State employee earnings" means the amount paid for base salary and longevity. The term  
30 does not include overtime, differential, or holidays worked.

1 (13) "State employee severance pay" means the amount to be paid to each eligible state employee,  
2 computed by multiplying the eligible state employee's earnings during the year immediately preceding the  
3 effective date of the privatization contract by 26.8%.

4  
5 **NEW SECTION. Section 3. Competition council.** (1) The competition council consists of the  
6 following individuals or their designees:

- 7 (a) the budget director;  
8 (b) the commissioner of labor;  
9 (c) the director of the department;  
10 (d) a person filling a position within the purchasing bureau of the department who manages state  
11 contracts;  
12 (e) two members of the house of representatives, one appointed by the speaker of the house and  
13 one by the house minority leader;  
14 (f) two members of the senate, one appointed by the president and one by the senate minority  
15 leader; and  
16 (g) the legislative auditor serving as an ex officio nonvoting member.

17 (2) The council is administratively attached to the office of budget and program planning as  
18 provided in 2-15-121. The budget director is the presiding officer of the council.

19 (3) Legislative appointments to the council must be made by the 60th legislative day. Legislators  
20 serving on the council may be reimbursed in accordance with 5-2-302 from the competitive government  
21 account established in [section 10].

22 (4) The council shall meet as often as necessary to perform its duties. The council is subject to  
23 the provisions of Title 2, chapter 3.

24 (5) Staff support for the council must be provided by the office of budget and program planning  
25 and other agencies upon request of the council.

26  
27 **NEW SECTION. Section 4. Duties of council.** The council shall:

- 28 (1) encourage efficiency through competition;  
29 (2) recommend that available resources be directed toward achieving competition in state  
30 government; and

1 (3) oversee implementation of [sections 1 through 18], applying the objectives of service quality,  
2 competitive cost, and maintenance of a competitive market.

3  
4 **NEW SECTION. Section 5. General powers of council.** In performing its duties under [sections  
5 1 through 18], the council may:

- 6 (1) comment on rules governing any aspect of the council's duties or responsibilities;  
7 (2) hold public hearings or conduct studies;  
8 (3) consult outside sources;  
9 (4) recommend approval of the initiation or termination of the competitive process;  
10 (5) recommend priorities for considering applications and implementing the competitive process;  
11 (6) prepare recommendations for inclusion in a government competition and efficiency bill for the  
12 legislature;  
13 (7) review the final competition plan for each service and comment on the bid specifications;  
14 (8) evaluate bid responses and assess the bidders' qualifications and experiences;  
15 (9) make recommendations for contract awards to the department;  
16 (10) monitor contracts and evaluate performance; and  
17 (11) report outcomes of the competitive process.

18  
19 **NEW SECTION. Section 6. Duties of affected agencies.** The council may, while performing its  
20 duties under [sections 1 through 18], request agencies to perform an activity or to provide information.  
21 Nonexecutive branch agencies may choose to participate or may be directed by the governing body for the  
22 branch to participate in the process.

23  
24 **NEW SECTION. Section 7. Principles for competition.** (1) The competitive process will be applied  
25 systematically, as determined by the office of budget and program planning, to state government programs  
26 and services that use state personnel or resources.

27 (2) Agency managers and workers in a service or program approved for competition may organize  
28 a representative work unit team that will lead the agency's competitive process, consulting with  
29 professional consultants and outside experts as necessary, in order to compete to continue delivering the  
30 service.

1 (3) An agency may respond to a request for proposals, an invitation to bid, a request for  
2 information, or other advisories issued pursuant to the competitive government process.

3 (4) If an agency does not choose to compete, the agency shall still complete the direct and indirect  
4 cost schedules described in [section 15(3)(d) through (3)(f)] before a contract may be awarded to an  
5 outside vendor.

6 (5) An eligible state employee who is involuntarily terminated from state employment as a result  
7 of the implementation of [sections 1 through 18] is eligible for any reduction in force benefits and for state  
8 employee severance pay if the employee continues in employment through transfer of responsibilities to  
9 either an employee group or the private sector.

10 (6) An agency wishing to compete may do so as part of a consortium, with other state agencies  
11 or with other public or private organizations. It must be clear in the competition report required in [section  
12 15(3)(h)] what role the agency is to have in the consortium.

13 (7) Because the intention of [sections 1 through 18] is not to create private sector monopolies, the  
14 competitive process will be terminated by the office of budget and program planning whenever there are  
15 not at least two viable bidders, one of which may be the agency currently providing the service.

16 (8) In the event that there are not two viable bidders, the office of budget and program planning  
17 may work with the agency to redefine and narrow the scope of the function in a second request for  
18 proposals. If the office of budget and program planning terminates the process because of lack of viable  
19 bidders for the second time, then the function may not be included in the competitive process for at least  
20 2 years.

21  
22 **NEW SECTION. Section 8. Handbook.** The office of budget and program planning shall develop,  
23 distribute, and maintain a competitive government handbook.

24  
25 **NEW SECTION. Section 9. Competitive government training.** The council and the office of budget  
26 and program planning shall conduct periodic training sessions on the competitive government process and  
27 on how to use the handbook. Training must be open to all affected state employees and other persons  
28 wishing to participate. A fee commensurate with the actual cost of the training may be charged.

29  
30 **NEW SECTION. Section 10. Competitive government account.** (1) Competitive government

1 activities of the council and the office of budget and program planning, pursuant to [sections 1 through 18],  
2 are intended to be self-supporting after the first biennium of implementation. There is a competitive  
3 government account in the state special revenue fund to be appropriated for use by the council and the  
4 office of budget and program planning.

5 (2) Fees, account balances, and miscellaneous revenue collected under [sections 1 through 18]  
6 must be deposited in the competitive government account.

7 (3) Money in the competitive government account may be invested pursuant to the provisions of  
8 the unified investment program by the board of investments. The income from the investments must be  
9 credited to the account.

10 (4) If the office of budget and program planning decides to privatize a function, the state may sell  
11 or transfer assets in accordance with 18-6-101, which may result in one-time revenue for the state. Unless  
12 otherwise specified by federal or state law, the one-time revenue must be deposited in the competitive  
13 government account.

14 (5) At fiscal yearend in each odd-numbered year, unreserved cash in the competitive government  
15 account that exceeds appropriations for the next biennium must be transferred to the general fund.  
16

17 **NEW SECTION. Section 11. Expenditure adjustments.** (1) Whether or not an agency retains a  
18 service upon completion of the competitive government process, the budget director shall, with the  
19 approval of the governor, direct the agency to reduce spending to reflect the savings resulting from the  
20 competition for the remainder of the current fiscal year and for the second fiscal year of a biennium. The  
21 savings must be based on the final competition plan reviewed by the council and approved by the office  
22 of budget and program planning, including any contract monitoring and one-time conversion costs, and on  
23 the bid awarded by the department.

24 (2) The budget director may restore the authorized level of expenditure to the level authorized by  
25 the previous legislature if compelling unforeseen circumstances or an emergency are presented to and  
26 concurred in by the council and approved by the governor.  
27

28 **NEW SECTION. Section 12. Cash balances in accounts being closed.** In the second year after  
29 implementation of a competitive process, any cash remaining in state special revenue, enterprise, or internal  
30 service fund accounts being closed as a result of implementation must be transferred to the competitive

1 government account created in [section 10], unless otherwise specified by federal or state law. The  
2 department shall concur with the budget director on the status of the account prior to transfer of the  
3 remaining cash balance and closure of the account.

4  
5 **NEW SECTION. Section 13. Initiation of competitive government process.** (1) A state employee,  
6 a group of state employees, a private citizen, a representative of any public or private entity, the council,  
7 or the legislature may submit a written recommendation to the office of budget and program planning  
8 asking or suggesting that a service or function provided in whole or in part by state personnel or resources  
9 be considered for competition.

10 (2) State employees making competition recommendations are protected from retribution under the  
11 state grievance policy.

12 (3) If the service considered for competition is provided directly by an agency or under a contract  
13 to an agency, the office of budget and program planning shall examine the facts and may require the  
14 agency to engage in the process developed by the council, including training, study, review, and  
15 development of performance measures and cost estimates for the service or any aspect of the service.

16 (4) The council may request agencies to review strategic plans and identify commercially available  
17 aspects of services that they are providing that could be better or more cost-effectively delivered through  
18 competition with other agencies or the private sector.

19  
20 **NEW SECTION. Section 14. Government competition and efficiency bill and funding.** (1) The  
21 governor shall submit to each regular session of the legislature a government competition and efficiency  
22 bill listing by agency the services that are recommended for competition during the ensuing biennium.

23 (2) The budget for the competitive government account must be submitted to the legislature as  
24 part of the executive budget in accordance with Title 17, chapter 7, part 1.

25  
26 **NEW SECTION. Section 15. Competition teams.** (1) Following the enactment of a government  
27 competition and efficiency bill, representatives of the council and the office of budget and program planning  
28 shall meet with the agency managers and workers in each of the programs approved for the competitive  
29 process to describe the process, review the handbook, and offer appropriate assistance.

30 (2) Each agency program approved by law or recommended by the council for the competitive



1 process may form its own representative work unit competition team to provide workers, their labor  
2 organizations, and public employers with opportunities to study new and innovative joint approaches to  
3 achieving service quality and competitive cost. Each team must be encouraged to elect a presiding officer,  
4 vice presiding officer, and secretary and to distribute recorded minutes of each meeting to all affected  
5 employees.

6 (3) The competitive government process steps that apply to each agency program or function  
7 approved for the competitive process include:

8 (a) orientation and training for the team and as many affected employees as possible;

9 (b) assessment and revision of the current program or function description and its goals and  
10 objectives;

11 (c) assessment, revision, or definition of the quantifiable units of service for the program or  
12 function;

13 (d) accumulation of the total direct costs for the function and distinguishing those costs that are  
14 relevant to the decisionmaking process;

15 (e) completion of personnel and equipment cost worksheets;

16 (f) determination of indirect costs attributed to the function and distinguishing those costs that  
17 would be discontinued if the function were shifted to a contractor;

18 (g) preparation of the preliminary estimate of supervising and monitoring costs that would be  
19 expected if the service were to become a contractor-provided service; and

20 (h) submission of a written report on steps listed in subsections (3)(a) through (3)(g) to the council  
21 and a meeting with the council to present the report and answer questions.

22 (4) At any time during the process, the team may request information on strategic planning,  
23 performance measures, technical assistance, budgeting and accounting, contract writing, or other  
24 assistance, which may be provided by the office of budget and program planning.

25 (5) In acting upon a team or agency report, the council may conduct hearings, request further  
26 study, identify commercially available services, recommend that the process be halted because of  
27 insufficient competition or savings, recommend to the office of budget and program planning that the  
28 service be submitted to competitive bidding or any another process that creates competition, recommend  
29 the specifications that are to be used by the department in drafting the request for proposals, or take other  
30 actions consistent with its duties under [sections 1 through 18].

1 (6) Agency management is responsible for the competitive process if a team is not established.

2

3 **NEW SECTION. Section 16. Direct and indirect cost schedules.** The handbook must contain  
4 detailed direct and indirect cost schedules, together with supporting schedules and instructions. Each  
5 agency is responsible for completing the schedules to the satisfaction of the office of budget and program  
6 planning.

7

8 **NEW SECTION. Section 17. Council recommendation to proceed.** (1) If the council votes to  
9 recommend proceeding after reviewing a team or agency report, it shall forward the function specifications  
10 to the department in accordance with Title 18. The department shall work cooperatively with the council  
11 and the office of budget and program planning in drafting and issuing the request for proposals or other  
12 instruments.

13 (2) The office of budget and program planning, with technical assistance from the department, shall  
14 evaluate the bid responses, assess the bidders' qualifications and experiences, and negotiate the final and  
15 best offer. Negotiations and office of budget and program planning decisions may include:

16 (a) requiring that the private sector hire state employees;

17 (b) the state contracting with private sector employees; and

18 (c) sharing severance and termination costs under [section 7] with the successful vendor.

19 (3) The department shall make the award under this section.

20

21 **NEW SECTION. Section 18. Rulemaking authority.** The department and the office of budget and  
22 program planning may adopt rules to implement [sections 1 through 18].

23

24 **Section 19.** Section 17-7-139, MCA, is amended to read:

25 **"17-7-139. Program transfers.** (1) Unless prohibited by law, the approving authority may approve  
26 agency requests to transfer appropriations between programs within each fund type within each fiscal year.  
27 The transfer may not exceed 5% of the total agency appropriation, excluding statutory appropriations,  
28 administrative authorizations, and budget amendments. All program transfers must be completed within the  
29 same fund from which the transfer originated. A request for a transfer accompanied by a justification  
30 explaining the reason for the transfer must be submitted by the requesting agency to the approving

1 authority and the office of budget and program planning. Upon approval of the transfer, the approving  
2 authority shall inform the legislative fiscal analyst of the approved transfer and the justification for the  
3 transfer.

4 (2) This section does not apply to transfers under [section 12]."

5

6 **Section 20.** Section 17-7-304, MCA, is amended to read:

7 **"17-7-304. (Temporary) Disposal of unexpended appropriations.** (1) ~~All~~ Except as provided in  
8 [section 12], all money appropriated for any specific purpose except that appropriated for the university  
9 system units listed in subsection (2) and except as provided in subsection (4) must, after the expiration of  
10 the time for which appropriated, revert to the several funds and accounts from which originally  
11 appropriated. However, any unexpended balance in any specific appropriation may be used for the years  
12 for which the appropriation was made.

13 (2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for  
14 the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university  
15 campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central  
16 offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the  
17 cooperative extension service with central offices at Bozeman, and the bureau of mines and geology with  
18 central offices in Butte must, after the expiration of the time for which appropriated, revert to an account  
19 held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a  
20 statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with  
21 a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases  
22 prepared by the affected university system units and approved by the board of regents. The affected  
23 university system units may, with the approval of the board of regents, modify the long-term plan at any  
24 time to address changing needs and priorities. The board of regents shall communicate the plan to each  
25 legislature, to the finance committee when requested by the committee, and to the office of budget and  
26 program planning.

27 (3) Subsection (2) does not apply to reversions that are the result of a reduction in spending  
28 directed by the governor pursuant to 17-7-140 or [section 11]. ~~Any~~ Except as provided in [section 12], any  
29 amount that is a result of a reduction in spending directed by the governor must revert to the fund or  
30 account from which it was originally appropriated.

1           (4) For the 2 years following the end of a fiscal year, 30% of the money appropriated to an agency  
2 for that year by the general appropriations act for personal services, operating expenses, and equipment  
3 and remaining unexpended and unencumbered at the end of the year may be spent for any purpose that  
4 is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may  
5 be carried forward and spent must be determined by the office of budget and program planning.  
6 (Terminates July 1, 1997--sec. 13, Ch. 23, Sp. L. November 1993.)

7           **17-7-304. (Effective July 1, 1997) Disposal of unexpended appropriations.** (1) ~~All~~ Except as  
8 provided in [section 12], all money appropriated for any specific purpose except that appropriated for the  
9 university system units listed in subsection (2) must, after the expiration of the time for which appropriated,  
10 revert to the several funds and accounts from which originally appropriated. However, any unexpended  
11 balance in any specific appropriation may be used for the years for which the appropriation was made.

12           (2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for  
13 the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university  
14 campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central  
15 offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the  
16 cooperative extension service with central offices at Bozeman, and the bureau of mines and geology with  
17 central offices in Butte must, after the expiration of the time for which appropriated, revert to an account  
18 held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a  
19 statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with  
20 a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases  
21 prepared by the affected university system units and approved by the board of regents. The affected  
22 university system units may, with the approval of the board of regents, modify the long-term plan at any  
23 time to address changing needs and priorities. The board of regents shall communicate the plan to each  
24 legislature, to the finance committee when requested by the committee, and to the office of budget and  
25 program planning.

26           (3) Subsection (2) does not apply to reversions that are the result of a reduction in spending  
27 directed by the governor pursuant to 17-7-140 or [section 11]. ~~Any~~ Except as provided in [section 12], any  
28 amount that is a result of a reduction in spending directed by the governor must revert to the fund or  
29 account from which it was originally appropriated."  
30



1 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its  
2 applications, the part remains in effect in all valid applications that are severable from the invalid  
3 applications.

4

5 NEW SECTION. **Section 26. Effective date.** [This act] is effective on passage and approval.

6

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0078, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill creating government competition and efficiency by establishing a competition council and providing procedures for a competitive process.

ASSUMPTIONS:

Office of Budget and Program Planning (OBPP):

1. The Competition Council will be created in FY98 and will have six meetings in each year of the biennium. Each meeting will have a cost of \$1,500 (Legislators' salary, per diem, and travel). In the 1999 biennium, the council will consider about 13 programs [reference Section 21 of the bill]. The council will focus its efforts on programs with potential for improving service and saving money.
2. The Office of Budget and Program Planning (OBPP) will expend each year of the biennium \$9,000 for council meetings (assumption 1) and \$41,000 for council support in the form of supplies and materials, telephone, travel, and independent contractors to assist with training and to provide competition teams with technical assistance as provided in Section 15 of the proposed law.
3. After completion of the competitive process, both the State Liquor Warehouse Operation (SLWO) and the Mental Health Nursing Care Facility in Lewistown (MHNC) will be approved to move forward with requests for proposals (RFPs).
4. The legislature will approve the \$100,000 general fund biennial appropriation recommended in the Executive Budget for work of the council upon passage and approval of this bill.
5. Although about 13 initial competition projects are anticipated for the 1999 biennium, for purposes of this fiscal note 2 are presented with assumptions outlined below.

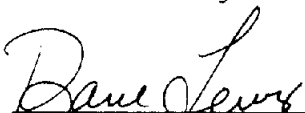
State Liquor Warehouse Operation (SLWO):

6. The SLWO will participate in the competitive process and, as an example for purposes of this fiscal note, is assumed to be privatized effective July 1, 1998.
7. The successful bidding contractor for the SLWO will bid \$3.6 million for the warehouse building and its operational contents. This amount is based upon the current insured valuation. The contractor will pay this amount to the state on July 1, 1998, and it will be deposited into the competitive government account. Those funds will earn interest income of \$190,000 in FY99. The unreserved portion of these funds will be transferred to the general fund at the end of FY99.
8. The amount paid to the successful contractor in FY99 by the Department of Revenue, to control and distribute liquor in the state, will approximately equal the base budget appropriation of the SLWO.
9. The SLWO will have extraordinary personal services expenses in FY98 of \$167,000 due to the allowed 26.8% severance pay (\$77,000), and estimated accumulated vacation and sick leave payout (\$90,000). Of the 13 FTE, 3.00 FTE will be maintained by the state at an ongoing cost of about \$90,000.
10. The unreserved residual in the liquor enterprise account cannot be transferred to the general fund until the end of FY00. The amount cannot be estimated with any degree of accuracy and is not an impact of this fiscal note.

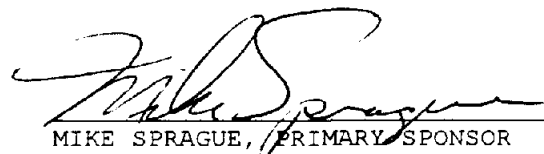
Mental Health Nursing Care Facility (MHNC):

11. The MHNC will participate in the competitive process and, as an example for purposes of this fiscal note, is assumed to be privatized effective January 1, 1999.
12. The successful bidding contractor for the MHNC will bid \$3.2 million for the Lewistown land, structure and operational contents. This amount is based upon the per bed purchase price paid for the Cascade County Nursing Home in 1993. That amount was inflated for five years using a 5%/year factor. The contractor will pay this amount to the state on January 1, 1999, and it will be deposited into the competitive government account. Those funds will earn interest income of \$85,000 in FY99. The residual amount of purchase price and interest income will be deposited to the general fund at the end of FY99.

(Continued)

  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

1-13-97

  
MIKE SPRAGUE, PRIMARY SPONSOR      DATE

1-13-97

(continued)

13. The MHNC will have extraordinary personal services expenses in FY99 of \$1.6 million due to the allowed 26.8% severance pay (\$684,000) and the estimated accumulated vacation and sick leave payout (\$916,000). The savings are \$232,000 (personal services of \$1.832 - \$1.6 = \$232,000).
14. The amount paid to the successful contractor for the second half of FY99 by the Department of Public Health and Human Services, for the portion of services that are the responsibility of the department, will approximate one-half of the base budget appropriation of the MHNC for FY99. The operating expenses of the contractor are conservatively assumed to be the same for purposes of this fiscal note. The FY99 executive budget for operating expenses is \$1.159 million, the proposed expenses would be \$2.991 million, or an increase of operating expenses of \$1.832 million.

FISCAL IMPACT:

Office of Budget and Program Planning:

Expenditures:

	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
Operating expenses	50,000	50,000

State Liquor Warehouse Operation:

FTE	0	(10.0)
Personal services	167,000	(360,000)
Operating expenses	<u>0</u>	<u>360,000</u>
Total	167,000	0

Mental Health Nursing Care Facility:

FTE	0	(64.6)
Personal services	0	(232,000)
Operating expenses	<u>0</u>	<u>1,832,000</u>
Total	0	1,600,000

Competitive Government Account:

Revenues:

Sale of assets	0	6,800,000
Interest income	<u>0</u>	<u>275,000</u>
Total	0	7,075,000

Net Impact on Fund Balance: (Revenue minus expense)

General fund (01)	(207,000)	5,435,000
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

A slight positive effect on Lewistown economy may be anticipated based on additional employees working to achieve full utilization of the MHNC facility.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Additional programs will be involved in the competition process, resulting in improved services and additional savings.

DEDICATION OF REVENUE:

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (Please explain)

The competitive government account will act as a clearing account for the funds available as a result of the competitive process. Unreserved cash in the account that exceeds appropriations for the council must be transferred to the general fund each biennium.

- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?

(Continued)



(continued)

The account will provide a vehicle to track the costs and initial savings of the competitive process.

c) Is the source of revenue relevant to current use of the funds and adequate to fund the program/activity that is intended?  Yes  No (if no, explain)

d) Does the need for this state special revenue provision still exist?  Yes  No (Explain)

The account will be created with the passage of this bill.

e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please explain)

No. The biennial budget for the council will be recommended for legislative consideration and appropriation, consistent with substantive law and budget requirements. The primary purpose of the account is to track activity and to provide a clearing mechanism.

f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please explain)

If SB 78 passes, then the answer would be yes.

g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)

Besides tracking the operating costs of the competition council, the account will clear the process of selling state assets and recording interest income on those funds.