

1999 SENATE APPROPRIATIONS

SB 2031

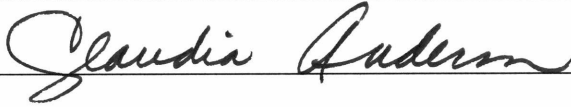
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2031

Senate Appropriations Committee

Conference Committee

Hearing Date 1/25/99; Rehearing 2/10/99

Tape Number	Side A	Side B	Meter #
1	X		0-END
		X	0-1420
2/10/99 2		x	3197-5250
Committee Clerk Signature 			

Minutes:

SENATOR NETHING: Opened the hearing on SB 2031; a BILL for an Act to enact a new section to chapter 54-03 and two new sections to chapter 54-35 of the North Dakota Century Code, relating to the executive budget and legislative budget recommendations; and to amend and reenact sections 54-03.1-03, 54-35-14, 54-44.1-04, and 54-44.1-06 of the North Dakota Century Code, relating to the organizational session, legislative budget analyst and auditor, budget requests, and appropriation bills. Senator Nething turned the hearing over to Vice Chairman Naaden to enable Senator Nething to present testimony.

SENATOR NAADEN: Recognized Senator Nething.

SENATOR NETHING: State Senator for District 48 to testify in support of SB 2031. During the last interim, I served on the budget committee on government finance which originated this bill. Senators St. Aubyn and Tallackson also served on this committee. I would refer you to page 39 of your Legislative Council Report. This report will include this particular bill and give you many of the details that will answer many of your questions. I would also like you to refer to the fiscal note. That information is also on page 40 of the report as well as in your bill book.

We are talking about a Legislative Agency Review Committee. The Legislative Council will appoint this committee and in turn will appoint separate subcommittees that will include legislators from both the house and the senate and from the majority and minority parties. The intent is that this Committee would work at the direction of the Legislative Council. The Committees will commence work at the beginning of the interim. By June 1 of the interim, they will begin review of budgets in concert with OMB. They will make recommendations to the committee. There will be from 4-6 committee dealing with the major agencies. They will present information prior to the Governor's budget so legislators are better prepared going into the session. The subcommittees comprising 50-60 legislators would begin to develop an expertise regarding their assigned agency. Some of the major agencies might include human services,

higher education, elementary and secondary education, corrections, and a cluster of agencies that represent tourism, the heritage society, and parks and recreation. We may only look at certain parts of a budget, i.e. the impact of aging, etc.

This is not a parallel budget to the Governor's budget. The goal of the committee is to involve more legislators in difficult budget items, and to allow for a thorough study of budgets. The agency review committee will do a better job of serving the citizens of ND. (tape 48-800)

SENATOR BOWMAN: Would this provide an opportunity to speed up the process? The appropriations committee currently doesn't have time to thoroughly examine budgets.

SENATOR NETHING: This would not only help appropriations, but other legislators and the general public as well.

SENATOR SOLBERG: Do you envision members from standing committees would be involved in the appropriation process i.e. education standing committee members would work on the education budget? (tape 925)

SENATOR NETHING: We never got into that. We would probably have education members serve on that subcommittee. It would involve a broad blend of individuals who would also have involvement in the process.

SENATOR ROBINSON: Is this setting a new precedence or are there initiatives in other states?

SENATOR NETHING: We reviewed several state operations. Some states have total legislative budgets; others have a blend which is what we're trying to model.

SENATOR TOMAC: How will you approach this without micro managing?

SENATOR NETHING: We view this as a monitoring committee. You may ask questions similar to the way we do it now. We're trying to get information to make intelligent decisions. (tape 1475)

CHET NELSON: (LC) There are 19 states that have legislative budgets. The budget book is prepared agency by agency.. The interim committee would make recommendations. By adjournment, the budget would include budget recommendations by legislators and the executive branch. It is a statutory amendment that clarifies the process. The committees would make an effort to avoid duplication. There wouldn't be a separate executive budget. There would be one set of budget books with input from both the legislature and the governor. The interim structure would include revenues and expenditures by June 1 of the preceding session.

SENATOR TOMAC: Are interim committees statutorily defined or a function of the Legislative Council?

CHET NELSON: There are 2 or 3 statutory including audit and fiscal. The selection of names of committee members would be determined by the Legislative Council.

SENATOR TOMAC: Is there anything that precludes the Legislative Council from doing this now?

CHET NELSON: Some would require legislative action--rules and funding for additional staff that would be needed. (tape 2095)

SENATOR BOWMAN: The group that is left out is those citizens coming into the system with good ideas rather than funding only agency requests.

CHET NELSON: I think the point you made would indicate a change in the current legislative process. (tape 2225)

SENATOR NETHING: We hadn't heard about the human service budget fraud division at the local level. Given a new system individuals would have an opportunity to present requests to the committee.

CHET NELSON: A historical review of the budgeting process includes:
During the 50's there was a state budget board;
In 1961 the legislature passed a bill for the Governor's budget idea
In 1967 an executive budget analyst was added.
Since that time there haven't been many changes except in numbers of staff members in both the legislative council and governor's staff.

SENATOR KRINGSTAD: Will this have an effect on the length of the legislative session?

CHET NELSON: It wouldn't be longer, I'm not sure about shortening it.

SENATOR NETHING: How many people are included in the budget?

CHET NELSON: There would be 4 committees with 13-14 members. The cost is provided for in the budget.

SENATOR ANDRIST: What impact would this have on the Legislative Council?

CHET NELSON: The involvement of the staff would be greater which is why 2 additional staff are requested. Budgeting for staffing sub committees should probably be increased. (tape 3195)

ALLEN KNUDSON: (LC) reviewed sections of the bill (tape 3195-4038)

SENATOR NETHING: Can you give us a better description of Section 1?

ALLEN KNUDSON: The legislative assembly would adopt rules that the hearing would be on the budget--not the bills.

SENATOR NETHING: We would schedule a hearing on an agency budget - not a specific bill. This would probably be much like we currently do.

SENATOR TOMAC: So we would technically write the budget?

SENATOR NETHING: The Governor would still write a budget - so we would track that through the bill process.

IN OPPOSITION TO SB 20331 (TAPE 4415)

BILL GOETZ: Chief of Staff, Governor's Office, to present testimony in opposition to SB 2031. I am here to express concern on behalf of the Executive Budget. I have a background in senate appropriations and now in sharing in the experience in developing the Governor's budget. I have some concerns as it relates to the executive branch. We all have or should have a concern as citizens of ND that we do have three branches of government. We have three branches of government - executive, legislative, and judicial. On the revenue side, there is a lot of effort expended in determining what the revenue picture is prior to building the budget. The revenue picture comes forward by way of WEFA and an advisory council that also gives input. The budget concerns are built on the basis of the big picture - revenue and the Governor's policy - the only resource the Governor has to do this. The budget process must speak to stability of government as well as views of outsiders. The budget process begins in August and concludes in November. Hearings are conducted with representation by OMB, fiscal analysts of the Legislative Council, and representatives of agencies. This serves as the foundation of the Governor's budget.

The concerns of the Executive Branch include: 1) Duplication of effort - communicating information versus making actual recommendations when the executive branch is building this budget. Recommendations do make for the building of a second budget. 2) The partial budget approach - the fiscal \$439,000 with 3 FTE's. 3) A full budget would speak to 7 FTE's at a cost of \$971,000. This doesn't consider any additional work agencies would have to undertake as it relates to the legislative branch of making specific recommendations and calling upon those agencies to provide additional information.

The budget in itself is the expression of the Governor as it relates to the policies of the state. The Legislative Branch reacts to that by way of direct representation of the people and formulates policy as an end result. We're speaking to the concerns of furthering weakening that opportunity the Executive Branch has in speaking to solid government. This transition over a period of time could evolve into a legislative controlled budget process.

SENATOR NETHING: I would like you to explain what would lead you to believe that someone has a different agenda..

BILL GOETZ: I think initially the purpose of your bill is to create an avenue of better communication and understanding of specific budgets. What I sense by way of the question that was asked is that recommendations are going to be made. Recommendations can be made, but if a number of legislators have enough voice in the ultimate outcome of those

recommendations simply because they have another agenda, that definitely will cause an influence upon the process.

SENATOR NETHING Wouldn't that be good if you had a governor from one party and a legislature makeup of another?

BILL GOETZ: I'm not sure when you look at good sound budget process that it always comes down to partisan politics. It may be part but we have to go beyond to what speaks to a good budget process to the citizens of ND.

SENATOR BOWMAN: Part of the budget process is coming into the legislature and not knowing the process of budgeting. Newly elected officials don't know how to present their ideas for budget consideration. (tape 5900)

BILL GOETZ: There needs to be a better understanding if the legislature garners the position where eventually a different focus takes place. (tape 1, side B)

SENATOR ST. AUBYN: Regarding duplication of efforts. I envision this as a means of the legislature having more time to become knowledgeable. Currently the way we are doing it is duplication. We're reviewing the budget to try to determine what the Legislature's priorities and approved budgets are going to be. As I see it, it is up to the Executive Branch to administer those programs and policies. How is this any different? Does the Executive Branch see our current process as a duplication of efforts? (side B, 124).

BILL GOETZ: It is the responsibility of the legislature through a budget process to evolve out of that legislative policy. Where we would have a duplication of effort would be where recommendations are made by the legislative branch. Those recommendations as well as the Governor's initiative cannot be brought forward until there is an approval process.

SENATOR NETHING: Initially we begin with the budget process that the Governor would have during the hearing process. It doesn't meant he Governor's budget is cast aside and then after the Legislature has put its bill together, they come in. The budget process would flow and testimony taken initially from agencies just like we do now. After the agencies make their presentations, the Committees would make the determination of what goes into the bill.

SENATOR TOMAC: As a freshman of this Committee, I'm inclined think we need to make changes. The complexity of budgets, i.e. human services is overwhelming. What would the Executive Branch propose?

BILL GOETZ: There is no difference in wanting Legislators to understand the budget. I would foster the idea to look at what we currently have in place and see whether or not an improved line of communication could take place as it relates to a specific budget, particularly human services. There is expressed concern is the relationship between the branches and what is called the Governor's budget. I think we would like to look at ways to improve information and communications as it relates to that process as it begins in the month of August. As a legislator I get concerned with our citizen legislature in willingness for legislators to take part in this

process. How much time are they willing to spend going through this process? The amount of time spent from August - November in building that budget has been enormous.

SENATOR NETHING: During your testimony you mentioned revenue determination taking place, dialogue with agencies, and recommendations taking place. There are no legislators taking part in any of those areas. That is what this bill is trying to enhance. In the revenue determinations, you will make your determinations just like you do now. In the dialogue with agencies you will have that dialogue, just like you do now. In the recommendations you will have that and so will the legislators have that that are on those committees. We are really not taking anything away from you. On the question of expansion, we all can accept that possibility, I would be happy to attempt to work out any language that would satisfy you on the expansion questions. I would think the dollars would limit expansion. This is not a parallel budget. We are trying to bring both parties into the process. If we had a governor from another party, I don't believe he would invite the chairman of appropriations in on those discussions. We're trying to bring both parties into the process. (tape 636-840)

BILL GOETZ: In terms of a parallel budget, anytime you bring a concept like this forward there is going to be high sensitivity in the Executive Branch and what could evolve as a result of that.

SENATOR NETHING: We have a responsibility to look after the legislative branch; much like you look after the executive branch.

SENATOR KRAUTER: In regard to revenues, in terms of federal dollars and the match, it seems as though we hear something it seems as though the match changes. Is there a specific identification in the bill where we talk about revenues and getting that information, particularly the federal dollars, special funds, or department of collections because that is all part of that mix?

ALLEN KNUDSON: In section 3 of the bill, number 10, (line 5) it talks about recommendations made to the state budget is where the federal and special fund revenues would come into play.

SENATOR NETHING: Closed the hearing on SB 2031 (tape 1426)

2/10/99

Tape 2, Side A 3197-5250

SENATOR NETHING: Reopened the hearing on SB 2031, and presented the amendments.
ALLEN KNUDSON: (LC) Explained the amendments in detail.

SENATOR ST. AUBYN: Moved do pass amendments to SB 2031

SENATOR KRINGSTAD: Seconded the motion.

ROLL CALL: Motion carried by unanimous voice vote to do pass amendments to SB 2031.

SENATOR GRINDBERG: Moved do pass SB 2031 as amended.

SENATOR KRINGSTAD: Seconded the motion.

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Senate Appropriations Committee

Bill/Resolution Number SB 2031.lwp

Hearing Date ~~1/29/99~~

2-10-99

ROLL CALL: 14 YEAS; 0 NAYS

MOTION CARRIED TO PASS SB 2031 AS AMENDED.

CARRIER: SENATOR NETHING

SENATOR NETHING: Closed the hearing on SB 2031.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: SB 2031

Requested by Legislative Council Date of Request: 2-12-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative:

This bill, as amended, creates a legislative agency review committee under the Legislative Council to coordinate and direct activities involved in the development of recommendations to assist the Legislative Assembly as it develops policy and provides appropriations for the operations of state government. The fiscal effect shown reflects:

Salaries and wages - 3 FTE and committee member per diem	\$304,664
Operating expenses	119,818
Equipment	15,000
Total	\$439,482

2. State fiscal effect in dollar amounts:

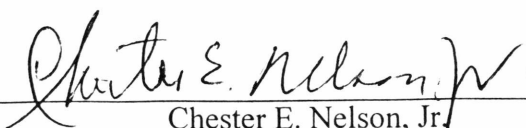
	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$439,482		\$439,482	

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: _____
 Indicate the portion of this amount included in the 1999-2001 executive budget:
- b. For the 1999-2001 biennium: It will increase by \$439,482
 Indicate the portion of this amount included in the 1999-2001 executive budget:
- c. For the 2001-03 biennium: \$439,482 will continue

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

Signed: 
 Typed Name: Chester E. Nelson, Jr.
 Department: Legislative Council
 Phone Number: 328-2916
 Date Prepared: 2-12-99

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2031 Amendment to: _____

Requested by Legislative Council Date of Request: December 10, 1998

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative:

This bill creates a legislative budget committee under the Legislative Council to coordinate and direct activities involved in the development of budget recommendations during the interim and as needed during the legislative session to assist the Legislative Assembly in developing the final legislative budget. The fiscal effect shown reflects:

Salaries and wages - 3 FTE and committee member per diem	\$304,664
Operating expenses	119,818
Equipment	15,000
Total	\$439,482

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$439,482		\$439,482	

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: Indicate the portion of this amount included in the 1999-2001 executive budget:
- b. For the 1999-2001 biennium: It will increase by \$439,482
Indicate the portion of this amount included in the 1999-2001 executive budget:
- c. For the 2001-03 biennium: \$439,482 will continue

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

Signed: _____
 Typed Name: Chester E. Nelson, Jr.
 Department: Legislative Council
 Phone Number: 328-2916
 Date Prepared: 12-23-98

Date: 2/10/99
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2031

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 90144.0201

Action Taken DO PASS

Motion Made By Sen. St Aubyn Seconded By Sen. Kringstad

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman					
Senator Naaden, Vice Chairman					
Senator Solberg					
Senator Lindaas					
Senator Tallackson					
Senator Tomac					
Senator Robinson					
Senator Krauter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total (Yes) Unanimous No _____

Absent _____

Floor Assignment APM

If the vote is on an amendment, briefly indicate intent:

Date: 2/10/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2031

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 90 144.0201

Action Taken DO PASS AS AMENDED

Motion Made By Sen. Grindberg Seconded By Sen. Kringstad

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Sen. Nething

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2031: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2031 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "a new section to chapter 54-03 and"

Page 1, line 2, replace "the executive budget and" with "a"

Page 1, line 3, replace "budget recommendations" with "agency review committee", replace the first comma with "and", and remove the second comma

Page 1, line 4, remove "54-44.1-04, and 54-44.1-06"

Page 1, line 5, replace the first comma with "and the" and remove ", budget requests, and appropriations bills"

Page 1, remove lines 7 through 12

Page 1, line 15, replace the first "**budget**" with "**agency review**" and replace "**interim budget**" with "**other review**"

Page 1, line 17, replace "budgeting" with "agency review" and remove "of state government"

Page 1, line 18, replace "budget" with "agency review"

Page 1, line 19, remove "budget"

Page 1, line 20, remove "A goal of"

Page 1, remove line 21

Page 1, line 22, remove "information for budget recommendations." and replace the second "budget" with "agency review"

Page 1, line 23, replace "budget" with "agency review"

Page 1, line 24, replace "budget" with "agency review"

Page 2, line 5, replace "**budget**" with "**agency review**" and replace "budget" with "agency review"

Page 2, line 11, remove "budget"

Page 2, line 12, replace the first "the" with "other", after "interim" insert "review", and remove "designated by the legislative council to have budget"

Page 2, line 13, remove "responsibilities" and remove "budget"

Page 2, line 14, replace "budget" with "review"

Page 2, line 15, replace "legislative budget" with "agency"

Page 2, line 16, replace "budget-related" with "agency-related" and after "interim" insert "review"

Page 2, line 17, remove "designated to have budget responsibilities by the legislative council"

Page 2, remove lines 22 through 27

Page 2, line 28, replace "8" with "7"

Page 2, remove lines 29 and 30

Page 3, line 1, remove "committee in the performance of its duties."

Page 3, line 3, replace "9" with "8", after "of" insert "other", and after "interim" insert "review"

Page 3, line 4, remove "designated by the legislative council to have budget responsibilities"

Page 3, line 5, replace "10" with "9" and remove "budget-related"

Page 3, line 7, remove "The recommendations may pertain to the state budget or any portion"

Page 3, remove lines 8 through 10

Page 3, line 11, replace "11" with "10" and remove "budget"

Page 3, line 14, replace "12" with "11"

Page 4, line 8, replace "budget" with "legislative agency review committee" and replace the underscored period with an underscored semicolon

Page 4, line 19, remove "legislative budget"

Page 4, line 24, remove "comparisons to budget recommendations of the legislative"

Page 4, line 25, remove "council,"

Page 5, line 1, remove the first "legislative"

Page 5, remove lines 7 through 29

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 8

Renumber accordingly

1999 HOUSE APPROPRIATIONS

SB 2031

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2031

House Appropriations Government Operations Committee

Conference Committee

Hearing Date SB 2031

Tape Number	Side A	Side B	Meter #
1		x	19.9-54.0
2	x		0-6.7
Committee Clerk Signature <i>Roxanne Hone</i>			

Minutes:

1B: 20.9 Senator Nething, District 48 Testified in favor of bill. Gave brief explanation of bill. The bill would involve more legislators in the budgeting process starting June 1st. Total appropriation: \$437,000.

1B: 30.7 Rep. Gulleon asked how this would affect legislative council analysis that is already being done. Senator Nething replied the analysis would also include footnotes from information that was gathered by legislators.

1B: 35.3 Rep. Carlisle asked how many FTEs will the bill add. Senator Nething replied three. Rep. Carlisle asked, don't you think we have enough experience collectively on both sides and are able to ask OMB and Legislative Council questions when we need information. Senator Nething replied that he felt if we were doing things the right way he wouldn't be here. Feels we don't have enough legislators involved right now. The bill addresses that need.

1B: 38.3 Rep. Byerly asked if the bill would require legislators to give direction to OMB. Replied, no, rather give a presentation of information collected.

1B: 42.5 Bill Goetz, Chief of Staff Testified in opposition to bill on behalf of governor's office. Commented that the governor's office shares same concerns of Senator Nething but the bill will call for additional costs.

2A: 1.3 Rep. Poolman commented he failed to see the argument of the bill. Doesn't see how this bill will actively involve legislators on legislative decisions involving appropriations.

Page 2

House Appropriations Committee

Bill/Resolution Number 2031

Hearing Date March 3, 1999

2A: 3.8 Rep Byerly asked if the bill would be involving a constitutionally questionable situation. Legislative council replied from their perspective they didn't see a problem situation. Other states are doing what the bill does or using another method to involve legislators.

Rod Backman, OMB, signed in against the bill and was available for questions.

Chairman Byerly closed the hearing on Senate Bill 2031.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 8, 1999			
Tape Number	Side A	B Side	Meter #
1	x		5.3-10.0
Committee Clerk Signature		<i>Roxanne Kohl</i>	

Minutes:

Chairman Byerly opened the discussion on Senate Bill 2031.

1A: 6.9 Legislative Council explanation of bill: allow legislators to get into the budgets earlier. It would begin in the Interim, get into major agency budgets and get information earlier. It would not be giving OMB direction.

1A: 7.3 Rep. Tollefson asked if there was discussion in the hearing if this was a redundant process. Committee responded yes. Rep. Tollefson referred to the fiscal note and FTEs that would have to be hired, costing the state more money.

1A: 8.0 Chairman Byerly responded that he also did not feel comfortable with the bill.

1A: 8.1 Rep. Huether commented that the idea of having more people involved is always good, however, there aren't enough reasons to pass the bill through.

Rep. Poolman moved for a DO NOT PASS. Rep. Tollefson 2nd the motion.
On a Roll Call Vote the motion carried.
6 voting Yes

General Discussion

Page 2

Government Operations

March 8, 1999

0 voting No

0 voting Absent

Rep. Tollefson will carry the bill to the full committee.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 17, 1999			
Tape Number	Side A	B Side	Meter #
1	x		48.6-end
1		x	0-13.0
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

SB 2031

CHAIRMAN DALRYMPLE opened the meeting.

1A: 48.6 REP. TOLLEFSON presented the Government Operations subcommittee's recommendation for the bill. He said the subcommittee felt the bill was a duplication of government, and that OMB establishes an executive budget already.

1B: 0.3 REP. TOLLEFSON made a motion for a Do Not Pass. The motion was seconded by Rep. Carlisle.

1B: 3.2 REP. DELZER said he was on the interim committee that helped develop this. That committee believed this bill would give the legislature a proactive approach at budgeting.

1B: 8.6 REP. SVEDJAN compared this to the private sector in which he works. Before the budgeting process begins, a committee meets to analyze the economy, industry, and other factors. Budget criteria are set. This would simplify the work of the appropriations committee.

1B: 11.8 REP. BYERLY said that the executive branch has the right to develop budgets, and the legislature has the right to change them.

1B: 13.0 A roll call vote was taken and the motion carried with 16 yeas and 4 nays. Rep. Tollefson will carry the bill.

Date: 3/8/99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2031

House _____ APPROPRIATIONS _____ Committee

Subcommittee on Government Operations
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By Poolman Seconded By Tollefson

Representatives	Yes	No	Representatives	Yes	No
Rex R. Byerly	✓				
Ron Carlisle	✓				
Ben Tollefson	✓				
Robert Huether	✓				
Pam Guleson	✓				
Jim Poolman	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Tollefson

If the vote is on an amendment, briefly indicate intent:

Date: B-17-99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2031

House Appropriations Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By Tollefson Seconded By Carlisle

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple		✓	Nichols		✓
Vice-Chairman Byerly	✓		Poolman	✓	
Aarsvold	✓		Svedjan	✓	
Bernstein	✓		Timm	✓	
Boehm	✓		Tollefson	✓	
Carlson		✓	Wentz	✓	
Carlisle	✓				
Delzer		✓			
Gulleson	✓				
Hoffner	✓				
Huether	✓				
Kerzman	✓				
Lloyd	✓				
Monson	✓				

Total (Yes) 16 No 4

Absent _____

Floor Assignment Tollefson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 17, 1999 11:27 a.m.

Module No: HR-48-4975
Carrier: Tollefson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2031, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman)
recommends **DO NOT PASS** (16 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2031 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

SB 2031

SB 2031
1/25/99

Table H
State-Federal Liaison

<i>State</i>	<i>Budget Office Analyzes Federal Legislation</i>	<i>Representative in Washington, D.C.</i>	<i>Official/Agency to Whom D.C. Office Reports</i>
Alabama	X	X	Governor
Alaska	-	X	Governor
Arizona	X*	-	-
Arkansas	-	-	-
California	-	X	Governor
Colorado	-	-	-
Connecticut	X	X	Governor
Delaware	X	X	Budget Director
Florida	X	X	Governor and Legislature
Georgia	X	X	Governor
Hawaii	X	X	Governor
Idaho	-	-	-
Illinois	X	X	Governor
Indiana	X	X	Governor
Iowa	X	X	Governor
Kansas	X	-	-
Kentucky	X	X*	Governor's Office
Louisiana	X	-	-
Maine	-	X	Governor
Maryland	X	X	Governor
Massachusetts	X	X	Governor
Michigan	X	X	Governor
Minnesota	X*	X	Governor's Office
Mississippi	X	-	-
Missouri	X	X	Budget Director
Montana	X	-	-
Nebraska	X	X	Selected Agency Heads
Nevada	X	X	Governor
New Hampshire	-	-	-
New Jersey	X	X	Governor
New Mexico	X	-	-
New York	X	X	Governor
North Carolina	X	X	Governor's Chief of Staff
North Dakota	X*	-	-
Ohio	X	X	Governor
Oklahoma	X*	-	-
Oregon	X	-	-
Pennsylvania	X	X	Governor
Rhode Island	X	X	Governor's Office
South Carolina	-	X	Governor
South Dakota	X	-	-
Tennessee	X	-	-
Texas	X	X	Governor
Utah	X	X	Governor's Chief of Staff
Vermont	X*	-	-
Virginia	X	X	Governor
Washington	X	X	Governor
West Virginia	X	X	Governor
Wisconsin	X	X	Administration Secretary
Wyoming	X	-	-
Puerto Rico	X	X	Governor's Office
TOTAL	43	34	

PROPOSED CHANGES TO SENATE BILL NO. 2031

MAJOR PROVISIONS INCLUDED IN SENATE BILL NO. 2031 AS INTRODUCED

1. Section 2 - In order to involve more legislators in the budgeting process, the Legislative Council would create a legislative budget committee to coordinate and direct activities involved in the development of budget recommendations to assist the Legislative Assembly as it develops the final legislative budget. The legislative budget committee composition would be determined by the Legislative Council. With the advice of the legislative budget committee, the Legislative Council would create additional committees to assist the committee in performing its duties and responsibilities. A goal of the budgeting process is to include historic and anticipated agency performance.
2. Section 3 - The legislative budget committee would:
 - a. Develop by June first of the year preceding the legislative session, a preliminary budget report that would include goals for revenues, major appropriations, and the ending general fund balance for the next biennium.
 - b. Develop budget guidelines and parameters, subject to Legislative Council approval, for the interim budget committees to utilize in the development of their budget recommendations.
 - c. Advise the Legislative Council on the interim budget committee structure needed to address legislative budget issues.
 - d. Assign budget-related studies identified by the Legislative Assembly (in a concurrent resolution or section of a bill) to the interim budget committees. The legislative budget committee could assign other budget-related studies it determines necessary to interim budget committees during the interim.
 - e. Assign program reviews it determines necessary to other committees designated by the Legislative Council to have budget responsibilities.
 - f. Review, analyze, and evaluate budgets, budget requests, programs, and activities of state agencies, institutions, and departments.

PROPOSED CHANGES TO SENATE BILL NO. 2031

The Legislative Council would create a legislative agency review committee rather than a legislative budget committee, and with the advise of the legislative agency review committee, the Legislative Council would create additional interim review committees to assist the committee in performing its duties and responsibilities.

The provision relating to involving more legislators in the budgeting process is changed to involving more legislators in the agency review process.

The provision relating to the involvement of historic and anticipated agency performance in the budgeting process is removed.

The legislative agency review committee rather than the legislative budget committee would:

No change.

Remove reference to "budget" - The committee would develop guidelines and parameters for the interim review committees to utilize in the development of their recommendations.

Change "budget committee structure needed to address legislative budget issues" to "review committee structure needed to address agency issues".

Assign agency-related studies to the interim review committees rather than budget-related studies to the interim budget committees.

Change committees with budget responsibilities to interim review committees.

No change.

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| g. | Monitor agency performance by utilizing performance measures, when appropriate. | No change. |
| h. | Develop budget forms, guidelines, or requests for supporting data that agencies would have to include in their budget requests. These forms, guidelines, or other requests would be incorporated by the Office of Management and Budget (OMB) into the budget request forms and budget guidelines issued by OMB for agencies to use when preparing their budget requests. Agencies would continue to prepare only one request. | Remove this provision. This can be done by the Budget Section as provided in current law. |
| i. | Conduct hearings it determines necessary to perform its duties and responsibilities. Interim committees designated by the Legislative Council to have budget responsibilities would also hold hearings necessary to assist the legislative budget committee in performing its duties and responsibilities. The hearings could be held jointly with OMB's executive budget hearings. | Change to provide that hearings may be conducted either separately or jointly with OMB to the extent necessary to perform its duties and responsibilities. |
| j. | Review and approve any reports or recommendations of the interim committees as designated by the Legislative Council. | No change. |
| k. | Develop budget-related recommendations to assist the Legislative Assembly as it develops policy and provides appropriations for the operations of state government. The recommendations may relate to the state budget or any part of the state budget, including general fund revenues and appropriations, special funds or federal funds, funding or operations of state agencies, and assistance to political subdivisions. | Develop agency-related recommendations rather than budget-related recommendations.

Remove provisions that the recommendations may relate to the state budget or any part of the state budget, including general fund revenues and appropriations, special funds or federal funds, funding or operations of state agencies, and assistance to political subdivisions. |
| l. | Present a report on its budget-related recommendations to the Legislative Council in November and to the Legislative Assembly. | Remove reference to "budget-related". The report would be on its recommendations. |
| m. | Provide assistance during the legislative session as requested by legislative leadership. | No change. |
| 3. | Section 3 - Agencies, including OMB and the Tax Department, would be required to cooperate with legislative committees and provide requested information, including economic and revenue projection information. | No change. |
| 4. | Section 4 - The Legislative Council would present its budget proposals at the organizational session. The Governor would continue to present the executive budget at the organizational session. | Remove reference to budget proposals - The report would be on its proposals. |
| 5. | Section 6 - Agency budget requests would be approved by both OMB and the Legislative Council. | The Legislative Council would not approve agency budget requests. OMB will continue to approve the requests which is the practice under current law. |

6. Sections 7 and 1 - The appropriations bills would be prepared by the Appropriations Committees during the session rather than being introduced in support of the executive budget recommendation. A section is added providing that the Legislative Assembly adopt rules to provide for the consideration of budget recommendations made by the Governor and the Legislative Council and for the preparation of appropriations bills by the Appropriations Committees based on hearings during the legislative session on agency budget requests.
7. Section 5 - The fiscal staff, under the supervision of the legislative budget analyst and auditor, would provide staff services to the legislative budget committee and associated committees to assist these committees in performing their duties and responsibilities. Services from other members of the Legislative Council staff would also be available to provide such assistance as may be necessary for the Legislative Council to carry out these provisions. The fiscal staff would continue to analyze the executive budget and provide comparisons to the budget recommendations resulting from the interim work prior to the start of each legislative session and at the close of the session would prepare a report on the legislative budget as approved by the Legislative Assembly.

These sections would be removed.

Services would be provided to the legislative agency review committee rather than the legislative budget committee.

Comparisons as part of the executive budget analysis would not be made to the budget recommendations resulting from the interim work.

The report completed by the fiscal staff after the close of the session would be on the budget as approved by the Legislative Assembly rather than the legislative budget as approved by the Legislative Assembly.