

**MINUTES OF THE
LEGISLATIVE PROCESS COMMITTEE**

Thursday, July 22, 1999 - 9:00 a.m. - Room 403 - State Capitol

Members Present:

Sen. Leonard M. Blackham, Senate Chair
Rep. Melvin R. Brown, House Chair
Sen. D. Edgar Allen
Rep. Patrice M. Arent
Rep. Brent H. Goodfellow
Rep. Evan L. Olsen
Rep. Raymond W. Short

Members Absent:

Sen. Terry Spencer

Staff Present:

Mr. Stewart E. Smith,
Research Analyst
Mr. John L. Fellows,
Associate General Counsel
Ms. Glenda S. Whitney,
Legislative Secretary

Note: A list of others present and copies of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

1. Call to Order - Chair Blackham called the meeting to order at 9:12 a.m.

2. Committee Business -

MOTION: Sen. Allen moved to approve the minutes of the June 17, 1999 meeting. The motion passed unanimously.

3. Budget Process Restructuring - Chair Blackham asked for committee discussion and proposals regarding budget process restructuring.

Rep. Olsen suggested that the legislative budget go to the legislature for review before the governor's budget is presented.

Mr. John Fellows, Associate General Counsel, briefed the committee on how the governor's budget process works.

Chair Blackham suggested having monthly meetings of the appropriations subcommittees. He discussed adding a second interim day on which the appropriations subcommittees could, under the direction of the chairs and with the help of the Office of the Legislative Fiscal Analyst, start exploring some of the issues prior to the session. He said this would promote education and provide background on the issues and increase efficiency.

Rep. Brown discussed the idea of comparing the governor's budget with the fiscal analyst's budget before it is presented to the legislators.

Rep. Olsen and Rep. Brown questioned what view the Legislative Management Committee would take relating to budget restructuring and would this committee have the influence to make the changes.

Chair Blackham said it will take an education effort, but thought the members of the committee could take the leadership to promote these proposals.

Rep. Brown said one thing that drives the process is time and money. He stressed flexibility in the process to do whatever is expedient to be more productive and adjust to the needs of the committee. He noted there are some committees that do not need to meet every month if they do not have important issues to discuss.

Mr. John Massey, Director, Office of the Legislative Fiscal Analyst (LFA), responded to Senator Blackham's proposal on interim meetings and suggested that a half a day would be sufficient to have an appropriation subcommittee meeting.

Rep. Goodfellow suggested that having legislators sit in on some of the committee meetings that the governor uses to determine the budget would allow legislators to be more informed and promote better decisions.

Ms. Lynne Ward, Director, Governor's Office of Planning and Budget, said the budget is not a self-contained topic; instead it is the resource that is provided to carry out the mission of state programs. She stressed the importance of getting a good understanding of what the programs do before deciding where the resources are best spent. Ms. Ward gave an overview on the process of preparing the governor's budget and indicated a willingness to attend appropriations committee meetings to explain the budget and the rationale used to create it.

Chair Blackham summed up committee discussion, and by raise of hands, the committee agreed unanimously that more time is needed during the interim with flexibility for specific committees in the appropriation process.

Rep. Olsen suggested that, after the Legislative Process Committee completes a proposal with recommendations, members of the Legislative Process Committee meet with the Legislative Management Committee and give an organized presentation.

Ms. Ward said that flexibility in the state budget is very limited. She said there are formulas in the state code with a certain amount of money that is set aside for projects. Also, there are hundreds of restricted funds that are set up to collect money that can only be spent for a specific purpose. She suggested a study be done by the LFA to see where flexibility could come into the budget.

Chair Blackham asked for input on the budget process before the session. He suggested having the governor present his budget in an interim meeting. Then, the subcommittees could receive input on the governor's proposals and present recommendations to the Executive Appropriation Committee. Chair Blackham said this may eliminate conflict by keeping legislators involved with the budget.

Rep. Brown indicated that, in 1969, the legislature created the Budgetary Procedures Act. He said the constitution is silent on whether the governor has the right to be involved in the budget process. He asked staff to give an opinion about whether or not it is constitutional for the governor to create a budget. Rep. Brown questioned if the legislature is the policy-making body of the state and do they have the right to delegate that responsibility to others.

Mr. Fellows responded that there is an interesting evolution of how the process of putting the budget together has moved from the legislative branch to the executive branch. He told of George Washington declining to give a budget to Congress stating that it was not something he ought to do as president of the United States. Responding to the Great Depression, President Franklin D. Roosevelt began to submit proposed budgets to Congress in order to aggressively use government expenditures to stimulate the economy. Mr. Fellows pointed out that constitutionally, under the separation of powers, appropriating money is a core legislative function and is not the sort of thing that can be constitutionally delegated to the executive branch. He also stated that if this question is presented to a court, the courts will equivocate and would probably rule that it would not be unconstitutional for the governor to prepare and recommend a budget.

Rep. Brown explained that the executive branch has the responsibility to carry out the policy established by the legislature.

Mr. Fellows said the fundamental way that the legislature creates policy is by appropriating the revenues that the state receives to programs to serve the people. Mr. Fellows said that, in many states, particularly those with full time legislatures, the legislature prepares the budget. Because of Utah's part time legislature and part time budget process, the budget preparation process is deferred to the governor or the LFA because of time and money.

Rep. Short said that it is a sham to think that everyone is involved in the budget process. He questioned if Utah really has the best system. He said that other states usually have senior legislators who develop the budget.

Rep. Olsen expressed frustration with the budget process. He said that there is a need to spend more time and money on the process. He pointed out that the budget process needs restructuring.

Mr. Massey indicated that his office is studying the issue of a ways and means committee and other budget process restructuring. He expressed a willingness to present his findings to the Legislative Process Committee in the September meeting.

Ms. Ward said that the governor can reduce the amount of an appropriation or veto a smaller line item. Under the Budgetary Procedures Act, the governor has authority to cut expenditures to balance the budget. That power allows the governor to manage the state's revenue when the legislature is not in session, she said.

Chair Blackham said the committee will continue its discussion on this issue next month.

4. Appropriation Acts Draft Rules - Mr. John Fellows referred to the draft rule in the mailing packet "Joint Rules Resolution - Mini Appropriations Process" and presented an overview. He explained that the legislation has three components, 1) it distinguishes between bill requests and requests for appropriation; 2) it provides a process for dealing with those requests for appropriation; and 3) it subjects those requests for appropriation to a particular deadline.

Mr. Massey distributed and explained an amendment to the draft rule "Joint Rules Resolution - Mini Appropriations Process".

Rep. Goodfellow expressed concern that this legislation is so structured that it removes any flexibility.

Rep. Arent expressed concerns with the draft, indicating that it takes one more thing from the standing committees and moves it to an already crowded agenda, which would require more appropriation committee meetings.

Rep. Short expressed concern that the legislation shifts more power from the Executive Appropriation Committee to chairs of the appropriation subcommittees.

MOTION: Rep. Arent moved to continue on to the next agenda item. The motion passed, with Rep. Olsen and Rep. Short voting in opposition. Sen. Allen was absent for the vote.

5. Committee Review of Bills - Mr. Fellows presented an overview of "House Rules Resolution - Committee Review of Bills," and "Senate Rules Resolution - Committee Review of Bills."

Rep. Short said there is a problem with senate quorum and the process of assigning meetings so senators are able to go to their own meetings instead of presenting bills.

Mr. Fellows noted that the legislature can set whatever schedules they choose. The idea has been discussed by staff to consider having dual sponsors for bills, one from each house.

The committee discussed the idea of dual sponsors assigned to bills.

Chair Blackham said that the proposed rules change is not realistic. He suggested voting on each of the bills separately.

Rep. Brown questioned if the purpose of a committee hearing is to lobby, show support for a bill, or get it ready to go to the floor.

Rep. Short said the real purpose is to work it through in committee, fixing the problems, and then, when it is presented on the floor, the legislature trusts that the work has been completed in committee.

Chair Blackham expressed concern with a sponsor's bill killed in committee without the sponsor being there to explain or defend the bill. He asked if it is the desire of the committee to assure that each bill has two committee hearings.

Rep. Short said that there is a need to increase the ability to work the bills over in committee and encouraged the committee to look at the benefit of having dual sponsors to improve the process. He suggested looking at bill sponsorship and what other states have been doing.

MOTION: Rep. Short moved to continue the discussion at a future meeting. The motion passed unanimously, with Sen. Allen absent for the vote.

6. Next Meeting: Thursday, August 19, 1999, 9:00 a.m., Room 403 State Capitol

The committee scheduled a future meeting on Wednesday, September 15, 1999, at 9:00 a.m.

7. Adjourn

MOTION: Rep. Brown moved to adjourn the meeting at 11:14 a.m. The motion passed unanimously, with Sen. Allen absent for the vote.

