

**MINUTES OF THE
LEGISLATIVE PROCESS COMMITTEE**

November 18, 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
Mr. Grant Caldwell
Ms. Joan D. Glenn
Ms. Ann Marie Allen

Members Absent:

Sen. Terry Spencer
Mr. Brent Litz

Staff Present:

Mr. Stewart E. Smith,
Managing Research Analyst
Mr. John L. Fellows,
Associate General Counsel
Ms. Audrey Madsen,
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 9:15 a.m.
2. **Committee Business**

MOTION: Rep. Olsen moved to approve the minutes of the September 15, 1999 meeting. The motion passed unanimously, with Sen. Allen absent for the vote.

3. **Communications with the Legislative Management Committee** - Sen. Blackham said that the report of the committee's recommendations to the Legislative Management Committee was accepted. Sen. Blackham said that a Senate caucus also reviewed the recommendations, but no action was taken. Rep. Olsen said that the House discussed the recommendations, but no action was taken.

4. **A Performance-Based Budget - Department of Human Services** - Mr. Thor Nilsen, Office of the Legislative Fiscal Analyst, made a presentation that summarized the report titled "Performance Based Budgeting: A Report for the Legislative Process Committee." Mr. Nilsen said that a performance based budget provides information on what a program has accomplished and gives information necessary to make wise resource allocations. Mr. Nilsen said the recommendations include: 1) By the year 2002, the state agencies should begin to develop a formal performance based budgeting process within the state budget cycle. 2) The governor should require the Division of Child and Family Services (DCFS) to include key outcome performance data with future budget requests. Mr. Nilsen concluded by saying that performance based budgeting connects the performance of an agency with the budgeting process and can be

very beneficial to the agencies.

Rep. Olsen asked what impact performance based budgeting will have on agency reports. Mr. Nilsen said that, with the departments recommendations, the reports will be adequately detailed, yet very focused and concise.

Rep. Olsen asked what steps are taken if state agencies insist that they are in need of additional funds. Mr. Nilsen said that the agency would be audited. Mr. Caldwell pointed out that performance based budgeting programs are not implemented with the intent to save money but to enhance the quality of service with the allotted funds.

Rep. Short asked why legislators were not assigned to help in the development of this program. Mr. Jonathan Ball, Legislative Fiscal Analyst, clarified that the legislators would be involved in the interim with their subcommittees if approved by the Legislative Management Committee. Mr. Caldwell said that if this program is established from the grass roots up, it will ultimately be more productive. Rep. Olsen said that he thinks it is important that the legislature be involved with the initial budget planning.

MOTION: Mr. Caldwell moved that any adopted process regarding performance based budgeting be adequately planned at the beginning with the involvement of the department heads, the legislative branch, and the executive branch. The motion passed unanimously.

MOTION: Rep. Short moved that the legislature be involved in the initial agency and legislature budget planning through their interim subcommittees by having an extra interim meeting each month. All interested parties are welcome and encouraged to participate in the initial planning including those government agencies directly affected, those in the private sector affected by the budget process, as well as legislators. Committee discussion followed.

Mrs. Lynne Ward suggested that the name be modified from performance based budgeting to performance influenced budgeting. Mr. Nilsen said that performance based budgeting is the name that is recognized and used across the country.

Rep. Short asked what the committee's responsibility is regarding this report. Mr. Stewart Smith said that the committee has the option of making recommendations based on the report. Mr. John Fellows read the statute that detailed the responsibilities of the committee.

SUBSTITUTE MOTION: Sen. Allen moved to go on with the presentation and see what the recommendations are before making judgements. The substitute motion failed unanimously.

The original motion passed unanimously.

Mr. Kevin Walthers, Office of the Legislative Fiscal Analyst, emphasized the importance of developing the budget process in a timely manner. Sen. Allen reiterated the importance of setting measurable objectives and using those to consider budget revisions.

Mr. Bill Dinehart suggested that Utah Tomorrow be included in the planning process. Rep. Goodfellow asked if the agencies have had the opportunity to give input or support this program. Mr. Nilsen said they have.

Rep. Short asked how much of an increase was put in appropriations for Division of Child and Family Services. Mr. Nilsen said that their budget and staff have more than doubled and that the process is improving. Ken Patterson, Director, Division of Child and Family Services, said that the DCFS has been funded and that it has been growing almost faster than it can handle. He said that even with the increased funding they have received, they are at the national median per capita in child welfare spending, they do have adequate resources for their needs, but they do not have more than they need.

MOTION: Rep. Short moved to accept the Fiscal Analyst's recommendations, and pass them on to the appropriate department. The motion passed unanimously.

Ms. Ward suggested an alternative name for the performance based budgeting be performance measurement process.

5. Legislative Compensation Update - Sen. Blackham introduced the issue. Rep. Arent said she is not pleased with the current process being followed by the Legislative Compensation Commission. She feels that it would be more beneficial if they were to look at the big picture. Sen. Blackham said that the compensation package is available for review. He agreed that the Legislative Compensation Commission should look at the whole picture. Mr. Fellows pointed out that it would require a constitutional amendment to expand the duties of the Legislative Compensation Commission.

6. Other Issues - Sen. Blackham introduced the concerns of the Executive Appropriations Committee concerning the Legislative Process Committee's "Budget Process Proposal." He was asked about the fiscal impact pertaining to additional meetings and staff during the interim. Sen. Blackham opened the topic for discussion. Rep. Olsen expressed concern that they should provide additional resources. Sen. Blackham asked the Office of the Legislative Fiscal Analyst to respond with the additional costs for the reported travel, salary, per diem, and staff required for the additional monthly meetings. Rep. Arent suggested that the comparison be based on the costs. Mr. John Massey said that he would look into that.

Rep. Short asked how the committee feels about dual sponsorship of bills. Rep. Arent expressed her support of the idea that the House and Senate both sponsor the bills because the

earlier someone from both houses is involved, the better. Sen. Allen asked what happens to the rules process. Mr. Fellows said that the rules process would not change.

MOTION: Rep. Short moved to approve the concept that a bill may show a sponsor from the opposite house of origin who would have equal ownership with the originating sponsor so they would each take responsibility for the bill in their own house, unless sponsors agreed otherwise. The motion passed unanimously.

7. Adjourn - Rep. Arent moved to adjourn the meeting at 11:40 a.m. The motion passed unanimously.