

1 **HOUSE CONCURRENT RESOLUTION NO. 97**

2 (By Delegates Manchin, Anderson, Ashley, T. Campbell,
3 Caputo, Doyle, Iaquinta, Kominar, Longstreth, Miley,
4 Morgan, D. Poling, M. Poling, Reynolds, Stowers, Varner,
5 Walters and White)

6 Requesting that the Joint Committee on Government and Finance
7 authorize a broad study of budgeting, including budget
8 formats, approaches, processes, procedures and controls;
9 administration of fiscal notes; revenue estimating;
10 performance accountability and incentives; mechanisms for
11 proposing a legislative budget; and additional resources for
12 budget analysis, research and oversight.

13 WHEREAS, The citizens demand and deserve that their government
14 be transparent, responsive, proactive, accountable, efficient and
15 effective and by it being so, will enjoy greater prosperity, jobs,
16 safety, welfare, and trust in their government; and

17 WHEREAS, The State's line-item budget format predates the
18 ratification of the Modern Budget Amendment of 1968; and

19 WHEREAS, The line-item budget format inadequately supports the
20 decision making by policymakers due to the commingling of programs
21 within spending unit line-items; and

22 WHEREAS, Over time the line-item budget has seen substantial
23 consolidation within the "unclassified" and other less restrictive
24 line-items of appropriation; and

25 WHEREAS, The current line-item budget format contains no
26 mechanisms to limit employment, establish goals and objectives or

1 link performance to spending authority and provides no basis for
2 performance measurement and accountability; and

3 WHEREAS, Strict control of the line-item format has not been
4 maintained over the decades to limit certain types of spending to
5 corresponding budget line-items, also known as "activities",
6 fundamental to its original design, such as confining personal
7 services spending to "personal services" activities, employee
8 benefits to "employee benefit" activities; and

9 WHEREAS, Spending units have found creative ways to avoid fund
10 expirations and otherwise manipulate the budget process; and

11 WHEREAS, The past decades have witnessed innovations in budget
12 types and approaches with performance-based budgeting, zero-based
13 budgeting and program-based budgeting approaches pushing out line-
14 item budgeting in many other states and political subdivisions
15 across the nation; and

16 WHEREAS, The state is currently undertaking procurement of a
17 new enterprise resource planning solution which will be capable of
18 facilitating changes in the state's budgeting and accountability
19 systems; and

20 WHEREAS, Relying on state agencies to provide fiscal notes on
21 legislative proposals often yields unsatisfactory results, whether
22 for a lack of fiscal note dedicated staff, skills, time or priority
23 by executive or judicial branch entities or because of political,
24 organizational or personal bias or perceived bias on the part of

1 legislators; and

2 WHEREAS, The topics of some fiscal notes and research questions
3 do not fit within the jurisdiction of any existing state office or
4 may not concern the expenditure of state funds but rather the
5 impact upon private markets; and

6 WHEREAS, The Legislature currently has no means of developing
7 its own, joint, nonpartisan revenue estimates which could bring the
8 Executive to public account; and

9 WHEREAS, Unlike some states, West Virginia has no "legislative
10 budget commission" or legislative entity responsible for the
11 proposal of a legislative budget prior to the creation of the
12 executive budget proposal which would provide another point of
13 reference as work on the executive budget proposal commences; and

14 WHEREAS, In addition to the finance committee staff of the
15 respective houses, which serve the committee and its chair in the
16 development, research and analysis of appropriation and policy
17 bills, many states maintain joint legislative budget offices with
18 budget specialists charged with very focused areas of
19 responsibility and content knowledge rivaling that of cabinet
20 secretaries and directors, serving all members and committees and
21 consulting throughout the budget process and making reports; and

22 WHEREAS, As a part-time Legislature, a full-time budget office
23 could be especially helpful in monitoring budget activities and
24 agency performance on a year-round basis; and

1 WHEREAS, There has long been a casual dialog regarding the
2 Legislature's need to produce its own fiscal notes and the need for
3 a legislative budget office but never an intensive study to weigh
4 potential benefits against likely costs; and

5 WHEREAS, The citizens demand and deserve that their elected
6 officials be prudent in levying and maintaining taxes and
7 parsimonious in spending the proceeds thereof; therefore, be it

8 *Resolved by the Legislature of West Virginia:*

9 That the Joint Committee on Government and Finance is hereby
10 requested to authorize a broad study of budgeting, including budget
11 formats, approaches, processes, procedures and controls;
12 administration of fiscal notes; revenue estimating; performance
13 accountability and incentives; mechanisms for proposing a
14 legislative budget; and additional resources for analysis, research
15 and oversight; and, be it

16 *Further Resolved,* That the Joint Committee on Government and
17 Finance report to the regular session of the Legislature, 2012, on
18 its findings, conclusions and recommendations, together with drafts
19 of any legislation necessary to effectuate its recommendations;
20 and, be it

21 *Further Resolved,* That the Legislative expenses necessary to
22 conduct this study, to prepare a report and to draft necessary
23 legislation be paid from legislative appropriations to the Joint
24 Committee on Government and Finance.