

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984

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however, the prosecuting officer may apply to the court for one extension of two months. The period of detention may also be extended during the time the accused is on trial. In recent cases, including the Kaohsiung incident, the authorities generally have followed the requirements of the above provisions, with exceptions occurring more frequently in the military system.

Major changes in the Code of Criminal Procedure, affecting the rights of criminal suspects, were enacted by the Legislative Yuan in July 1982. Suspects were granted the right to legal counsel during the investigation phase, including the right to have a lawyer present during interrogation by police. This was viewed by legal experts as a positive step in the protection of arrestees' rights. However, despite the opposition of the legal establishment, the press, and many legislators, the authorities also forced passage of changes which allow police to arrest without a warrant anyone they suspect of committing a crime for which the punishment would be five years or more in prison. Police power was further augmented to allow police to call in suspects or witnesses for questioning without a formal summons. The authorities justified the new police powers by insisting that the revisions would only legalize long-standing police practices.

The authorities deny holding political prisoners. They have stated that at the end of 1975 there were 254 persons in prison on sedition charges. Some persons have been released and others arrested since that time, but this is the most recent figure made public by the authorities. In December 1982 the authorities disclosed that 92 prisoners convicted of sedition and related offenses are currently being held in the Green Island military prison, compared with 115 reported to be there by Amnesty International in February 1980. Nearly 20 of these, originally arrested for communist activities, have been imprisoned for more than 30 years and were excluded from a general amnesty in 1975. Many of these prisoners, all in their fifties and sixties, are reported to be in poor health.

Many minor crimes in Taiwan are handled under a statute which empowers the police not only to arrest but also to prosecute and punish offenders. This law sometimes has been used against political activists. A substitute law, long sought by legal reformers, was put forward by the authorities in October 1981 but quickly withdrawn after being publicly criticized by lawyers and legislators. Critics complained that the law was even harsher than the one it was meant to replace, particularly provisions for "educational punishment" in military prisons for those accused by police of disturbing "social peace." In March 1982 the authorities reintroduced the "educational punishment" provisions as a separate "hoodlums" law. Although they withdrew it again in the face of heavy criticism, the authorities have indicated that they still intend to enact a police powers law incorporating "educational punishment."

f. Denial of Fair Public Trial

Taiwan's legal system is based on European and Japanese models which do not incorporate trial by jury. Under a 1980 judicial reorganization, district and high courts were shifted from the control of the Executive Yuan to the Judicial Yuan, for the first time formally separating the courts from the prosecution function. It is generally held in Taiwan legal circles that the change has given the judiciary greater independence of action.

Under martial law, which has been in effect in Taiwan since 1949, civilians who commit certain offenses, including sedition, may be tried in military court. Opposition to basic policy (such as expressing views contrary to the authorities' claim to represent all of China, or supporting an independent legal status for Taiwan) is considered seditious and thus punishable under martial law.

The authorities occasionally transfer "important" civilian cases (involving such crimes as homicide, kidnapping, and armed robbery) to the military courts. The authorities state that the military courts' swifter and generally more severe justice acts as a deterrent to potential criminals. Sentences are reviewed only within the Ministry of National Defense. In May 1982, the case of Li Shih-ko, who confessed to carrying out Taiwan's first armed bank robbery and murdering a policeman, was referred to the military courts for action. Li's trial on May 18 lasted less than two hours and the sentence, death, was carried out eight days later.

Neither civil nor martial law provides the defendant with protection from self-incrimination. Following the July 1982 revision of the criminal procedures code, suspects may for the first time have a lawyer present during interrogation. However, the authorities have indicated that the lawyer's role is to protect his client from mistreatment, rather than to provide legal counsel during questioning. In some cases, windows have been installed in police station interrogation rooms in order that lawyers (or family members) may see the suspect without hearing the questioning.

g. Invasion of the Home

Physical invasion of the home without a warrant is not a common practice in Taiwan, but does occur on occasion. The Code of Criminal Procedure requires that searches be authorized by warrants, signed by a prosecutor or, during a trial, by a judge. However, exceptions to this rule, previously few in number, were substantially increased by the revision of the code in July 1982. When making warrantless arrests, police may also make necessary searches of person or property without prior authority. Other types of violations of the home, such as monitoring telephone calls, are widely believed to exist.

2. Respect for Civil and Political Rights, Including:

a. Freedom of Speech and Press

The Constitution guarantees freedom of speech and the press. These rights are limited, however, by the enforcement of martial law restrictions. Individuals are not free publicly to question the regime's basic political policy of anti-communism and claim to sovereignty over all of China. Persons who speak favorably of communism or the People's Republic of China, or persons (usually native Taiwanese) who question the legitimacy of Taiwan's mainland authorities by suggesting support for Taiwan independence or self-determination, can expect to be charged with sedition and tried in a military court.

Information brought to light during the investigation of the death of Professor Chen Wen-cheng in 1981 suggests that the security authorities closely monitor political expression, both at home and overseas. During questioning by the security

police immediately prior to his death, Chen was reportedly confronted with recordings of an international telephone call between himself in the US and an opposition figure in Taiwan who was later jailed in connection with the Kaohsiung incident, and of a speech he gave in Pittsburgh supporting the Kaohsiung incident defendants. Although the Taiwan authorities later denied the existence of the Pittsburgh recording, the disclosures sparked a resurgence of allegations that Taiwan agents carry out a systematic program of surveillance and intimidation of Taiwanese students on American university campuses who are suspected of advocating Taiwan independence or self-determination. Indeed, Taiwan newspaper articles have noted the role of Taiwan security service units in the United States and Japan in monitoring dissident Taiwanese political activities. Although there have been reports of such surveillance from several US universities, the Taiwan authorities deny that they carry out surveillance on American campuses.

Censorship of publications occurs frequently. It is carried out through provisions of the publications law which empower the security police to seize or ban printed material that "confuses public opinion and affects the morale of the public and the armed forces." In 1982, the authorities allowed a rise in the number of domestic political opinion magazines, the more popular of which support non-Kuomintang politicians and criticize the party. One or more issues of several of these were banned during the year. Nominally the bans are in reaction to articles critical of the policies of the authorities or which discuss sensitive subjects, but they are widely viewed as tactics of intimidation. The limits of acceptable political criticism are not clear-cut. Even periodicals which are cautious in their selection of articles for publication have been banned from time to time. The ban of a single issue of a magazine may be followed by suspension of the publication's license for one year. In 1982, three magazines received this punishment.

Books are also occasionally banned by the security police. Control over the daily newspapers is exercised indirectly, through guidance from the central authorities' information office and the Kuomintang, and restrictions on the number of newspapers. Nevertheless, newspapers have expanded their coverage in areas previously forbidden, such as news from mainland China. Competition among the island's three television stations has also led to an expansion of their coverage of mainland and other sensitive international news, despite the fact that all three are partially or wholly owned by the authorities. Mounting criticism (Kuomintang as well as non-Kuomintang) of security police censorship, as well as of other elements of martial law administration, has compelled the authorities to defend their control apparatus. In June 1982 the Executive Yuan justified regular "selective postal checks" as necessary to intercept parcel bombs and illegal correspondence with mainland China. It was denied, however, that the authorities monitor telephone conversations.

Foreign publications are available, but are also subject to censorship by the security police and sometimes pages carrying articles offensive to the authorities are removed or blacked out before they are distributed. Some foreign publications are available through subscriptions only and are not allowed to be sold on newsstands. Occasionally, the credentials of foreign correspondents are suspended for articles which challenge important official views or positions.

Freedom of Peaceful Assembly and Association

Freedom of Assembly is guaranteed by the Constitution. While assembly for nonpolitical purposes is generally permitted, assembly for political purposes, except during elec- is often prevented under martial law provisions. During authorized 15-day campaign periods which preceded island-elections on November 14, 1981 and January 16, 1982, all dates, including oppositionists, were allowed to hold rallies. Those rallies, however, were closely monitored by the authorities under the Elections and Recall Law of 1980, which makes candidates liable for prosecution for "seditious" statements.

Even during the authorized campaign periods, some oppositionists' rallies characterized as "private parties." The authorities' response was moderate but firm and such "parties" were frequently broken up. The same tactic, used by Kuomintang candidates, usually drew no response from the authorities. Planned revisions of the election law announced by the authorities will outlaw the use of "private parties" in future elections.

There is no tradition of trade unionism in Taiwan, and labor unions do not exercise significant influence either in the economic or political sphere. While labor unions are permitted to organize, walkouts and strikes are prohibited under martial law. Collective bargaining, although provided for by legislation, does not exist.

c. Freedom of Religion

Freedom to practice religion is guaranteed by the Constitution. Most Taiwan inhabitants adhere to Confucianism, Taoism, Buddhism, animism, or a combination of beliefs. Other religions include Christianity and Islam. Some pseudo-Buddhist sects and Sun Myong Moon's Unification Church have been banned, due to parents' complaints that these groups were a corrupting influence on Taiwan youth. The groups were accused of leading youth to engage in "abnormal behavior" that involved turning their backs on their families, shifting their allegiance from state to church, and actively proselytizing for further converts. Action was taken on the basis of the police offenses law, a catch-all statute which allows the police to punish minor offenders without referral to the courts.

While generally respecting the right to practice religion, the authorities have brought pressure to bear against religious organizations they consider to be involved in unacceptable political activity. In 1977 the Presbyterian Church in Taiwan (179,000 members), long suspect for its advocacy of Taiwanese rights, issued a "Declaration on Human Rights" to which the church leadership has since repeatedly reaffirmed its commitment. By calling for Taiwan's transformation into a "new and independent country," the declaration has placed Taiwan's Presbyterian leaders (almost all native Taiwanese) in a clear position of questioning Taiwan's mainlander-controlled political institutions.

Friction between the Presbyterian Church and the authorities came to a head in 1980 when the church's general secretary, Reverend Kao Chun-ng, and several other Presbyterians were convicted in military court of harboring seditious defendant Shih Ming-te. While admitting he had assisted Shih, Rev. Kao denied seditious intent; he declared his religious vocation

precluded his betraying someone who had sought help and permitted him only to advise Shih to give himself up. Although relations between the church and the authorities have relaxed somewhat recently, the authorities continue to monitor church activities closely. The authorities have warned church members to avoid involvement in oppositionist political efforts or Taiwan independence activity.

In 1982 the authorities established a religious council, made up of representatives of the island's major religious bodies, to advise them on church matters. There are fears that the council may be used to justify unpopular official policies. Similar concerns have been expressed about legislation proposed in 1981 to regulate church activities. The proposed legislation is opposed by the island's major religious organizations as a threat to freedom of religion, although the authorities argue that the law is necessary to "define the scope of religion" and to "protect freedom of religion." An additional proposed measure would for the first time place religious educational institutions under the control of the Ministry of Education. The authorities argue that this would improve the quality of instruction and provide accreditation for the diplomas granted by these schools. Critics point out that it would also empower the Ministry of Education to control curricula and to place a military training officer in each school. Although action on these measures has so far been withheld, the authorities have not renounced their intention to enact them.

d. Freedom of Movement within the Country, Foreign Travel, Emigration, and Repatriation

The Constitution provides for the freedom to change residence. There is general freedom of internal travel in Taiwan, except to military and other restricted areas. Emigration and private travel abroad have become freer since 1979. After the last calendar day of the year in which they turn fifteen, males may not leave Taiwan until completion of their military service. Since 1980, businessmen have been permitted to travel to and do business directly with certain Eastern European countries. Moreover, it is widely believed that the authorities are willing to overlook some personal travel to mainland China if handled discreetly.

Permission to leave Taiwan may be delayed or withheld for security reasons or because the persons involved have criticized the political establishment. Statistics released by the authorities indicate that in 1980, the last year for which we have figures, 949,306 persons applied for exit permission. Of that number, over 20,000 are reported to have been refused, 327 for security reasons and the rest for unspecified causes.

In general, the authorities recognize the right of repatriation of those Chinese holding Taiwan passports who normally reside in Taiwan. Those issued "overseas Chinese" passports do not automatically have the right to travel to Taiwan for permanent residence. In principle, Taiwan will not authorize the entry of Chinese, even those who have long held Taiwan passports, if they have lived in communist-controlled areas within the preceding five years.

Under its program of assistance to Indochinese refugees, Taiwan, through June 1982, has granted permanent resettlement to more than 4,700 such refugees, nearly all of them ethnic Chinese. It has also provided temporary asylum to nearly 2,000

Vietnamese "boat people" (refugees escaping by boat) awaiting acceptance by other countries.

e. Freedom to Participate in the Political Process

Reflecting their claim to be the Government of all of China, the Taiwan authorities possess an array of political bodies over and above those which pertain solely to the island of Taiwan. The locus of power on Taiwan is the presidency and the central executive branch. While representation of native Taiwanese in local and central legislative bodies has been increasing, Taiwanese are seriously under-represented in the powerful executive branch, in which persons who arrived from the mainland after 1945 hold the most powerful positions. There have been recent increases in the number of Taiwanese holding executive branch positions, however. The Vice President, about one-third of the cabinet (including the Vice Premier, the Minister of the Interior, the Minister of Communications, and three Ministers without Portfolio), and the Governor of Taiwan, among others, are Taiwanese. Nevertheless, critics point out that their power and influence both individually and collectively are limited.

The most important elective bodies at the central level are the National Assembly, which elects the President and Vice President, and the Legislative Yuan, which is the Central Legislature. There have been no general elections to these two bodies since 1948, the authorities taking the position that such elections cannot be held until they re-establish control over the mainland. In October 1982 the Minister of the Interior explained that if overall elections were held the winners could not represent all of China, but only Taiwan province. Beginning in 1969, "supplementary elections" for these central bodies have been held to choose additional representatives from Taiwan and the adjacent islands. The advanced age and incapacity of many of the members of the Legislative Yuan elected on the mainland in 1948 forced the authorities in 1982 to lower the number of legislators required for a quorum. Supplemental legislators elected on Taiwan now constitute the most active group in the Legislative Yuan.

Since 1950, democratic institutions have been in operation at the provincial and local levels. Universal suffrage exists for all citizens twenty years of age and over. Elections have been held regularly for provincial, county and municipal offices, with Kuomintang candidates competing with independents and oppositionists. The Taiwan provincial governor and the mayors of Taipei and Kaohsiung, however, are appointed by the central authorities.

Despite the existence of two small, nominal opposition parties, Taiwan is dominated by one party. The Nationalist Party has ruled Taiwan since 1945 and is a "revolutionary" party whose structure and control mechanisms are based on early Soviet models. Party organs exist at all levels of the ruling structure, as well as in the military, schools, and other public institutions. New opposition parties are forbidden under martial law and candidates who oppose the Kuomintang in elections run as independents or "non-party" candidates. Even though the large majority of candidates elected are from the Kuomintang, independent candidates, nearly all Taiwanese, have increasingly been successful in the recent past. In the

provincial elections in November 1981, a loose coalition of "mainstream non-Kuomintang" candidates won about 30 percent of the votes cast, with non-aligned independents and members of the legal opposition parties winning an additional 10 percent. Independents won a similar share of votes in the previous provincial elections in 1977.

Independents face several disadvantages in the election process. The election law enacted in 1980 generally favors Kuomintang candidates, because its provisions, many of which are ambiguous, are interpreted by the central election committee which is controlled by the Kuomintang. The law forbids the participation of students, formerly a prime source of campaign workers for independent candidates, and allows only officially sponsored rallies in which all candidates participate together in the last few days before an election. Independent candidates are further disadvantaged by press self-censorship. The daily press tends to give little publicity to the views of the independents. Periodicals which publicize the views of independent candidates are subject to frequent censorship by the security police. However, such periodicals were not silenced during the provincial elections in November 1981, as they were during previous elections, and they have since been allowed to increase in number.

Women constitute 48 percent of Taiwan's population. The few laws which discriminate against them relate mostly to divorce issues and inheritance. Nearly 500 women were elected to city and town councils in June 1982, taking about 13 percent of the total seats up for election, while in the December 1980 "national" elections women candidates were the top two vote-getters. Regulations governing elections make some provision for guaranteed minimal representation of women in local and central legislative institutions. Enrollment of women in institutions of higher learning has increased 97 percent since 1952, to 411,000 in 1982. The number of women employed in ministries and other official agencies has increased by 40 percent since 1973. A fledgling women's rights movement is slowly growing.

Taiwan's only non-Chinese minority group is made up of descendants of Malayo-Polynesian immigrants who were already established in Taiwan when the first Chinese settlers arrived. Many of these aboriginal "mountain people," who comprise about one per cent of Taiwan's total population, live on restricted-access reservations, but most must compete with the Chinese majority for educational and job opportunities. There is no official policy of discrimination against the aborigines, and the authorities have instituted educational incentives and other social programs to ease their transition into Chinese society. The barriers created by de-facto cultural and economic discrimination, however, are frequently insurmountable. "Mountain people" are often relegated to low-paying, menial jobs by Chinese employers and many are forced to seek long-term employment overseas as fishermen or laborers. The rapid disintegration of tribal culture and the difficulty of "making it" in Chinese society have produced a general malaise within many aborigine communities, which is the source of the widespread alcoholism and "Jaziness" sometimes caricatured by unsympathetic Chinese. Special designated seats in both central and provincial legislative bodies are reserved for aborigine representatives.

3. Authorities' Attitude Regarding International and Non-governmental Investigation of Alleged Violations of Human Rights

The Taiwan authorities on occasion have permitted representatives of international human rights organizations, as well as private individuals interested in human rights issues, to visit Taiwan and meet with appropriate officials.

Taiwan's martial law was the subject of hearings before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee in May 1982. Prior to this, four members of Congress issued an appeal to the Taiwan authorities calling for an end to the 33-year-old martial law.

The Chinese Human Rights Association, which in the past has focused its attention primarily on human rights questions in mainland China, has recently devoted more of its efforts to human rights in Taiwan. In 1982, the Association sponsored tours for law-makers and legal experts to examine Taiwan's crowded prisons and established a legal aid service for Taipei residents. The association has also put together a human rights report on Taiwan, which was to be released in late 1982. Freedom House, in its 1982 report, rates Taiwan as "Partly Free."

4. Economic, Social, and Cultural Situation

Taiwan has established an excellent record of providing for the social and economic needs of its people. In general, the opportunity to participate in economic benefits is available to the population as a whole without discrimination. The per capita gross national product (GNP) in 1981 was over \$2,500. Unemployment in the first half of 1982 averaged 1.62 percent. The authorities' fiscal 1983 budget allocated more than 30 percent of the total budget to education, science, culture, and social programs.

Although economic growth has recently fallen short of the spectacular rates achieved earlier (GNP grew at a rate of 3.91 percent in the first half of 1982, compared with the 1969-1979 average rate of 10 percent), the economy remains healthy. The prospects for continuing economic well-being are favorable as the authorities attempt to shift the focus of their export-based economy to high-technology industries.

Taiwan has developed an effective public health program and a system of health stations throughout the island - a total of more than 11,000 medical care facilities. In 1980, Taiwan had more than 7.5 physicians, 5.6 nurses, and 22 hospital beds for every 10,000 persons. Health promotion programs include maternal and child disease control and environmental sanitation. Major epidemic disease has been reduced, although limited outbreaks, such as a surge in polio cases in August 1982, still occur. Because of these public health programs and a generally good diet (per capita daily caloric intake exceeds 2,800), life expectancy has increased to 70 years for men and nearly 75 years for women. Taiwan's birth control efforts have been successful in bringing the birth rate in 1981 down to 1.77. This has been crucial in alleviating population tensions on the island, where the population density per square mile of cultivable land exceeds 5,000.

Education is one of the main concerns of the authorities and the population in general. Statistics show that 90.2 percent of the population over age six are literate. Of school-age children, 99.8 percent are currently in school and free compulsory education is available through junior high school. About 60 percent of junior high school graduates pass examina-

tions and enter three-year senior high and vocational school programs. Entry into Taiwan's extensive system of higher education is also based on competitive exams, and departures from a strict merit system are almost nonexistent. In 1982, more than 20 percent of college-age youth were enrolled as undergraduate or graduate students.

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EMERGENCY MEDICAL SERVICES
AUTHORITY

Joint Committee on Fire, Police, Emergency and Disaster Services

SENATOR WILLIAM CAMPBELL
CHAIRMAN

March 7, 1983

Assemblyman Joe Hayes
Speaker of the House
State Capitol Building
Juneau, AK 99811

Dear Speaker Hayes:

As Minority Leader of the California State Senate, I have developed an increasing interest in the field of emergency preparedness and response. The effectiveness of state and local public safety agencies in responding to emergency incidents depends in large part upon their communication capabilities. A reliable, comprehensive system is of paramount importance to ensure a coordinated emergency response. Unfortunately, in many areas of our nation emergency communication systems are unable to meet expanding needs. Many areas must cope with fragmented, costly, inefficient systems that are unsuitable for modern emergency response efforts.

To address this problem, the Los Angeles County Sheriff's Department has petitioned the Federal Communications Commission to allocate additional radio frequencies for public safety land mobile use. This Petition, RM 3975 (please see attachment A), requests that the FCC set aside a contiguous band of radio frequencies, preferably UHF TV Channels 14-20, for land mobile services with two channels dedicated solely for public safety use. Such an allocation would accommodate the increase in public safety radio traffic and, also,

would enhance their operational capability for inter-agency co-operation over multi-jurisdictional boundaries.

This Petition was submitted on behalf of all public safety agencies. It has received the support of 18 national and state professional organizations, as well as, public safety agencies in 28 states (please see attachment B). RM 3975 has also received the support of approximately 100 federal elected representatives and over 300 emergency service professionals. However, to date the FCC has not acted on this Petition.

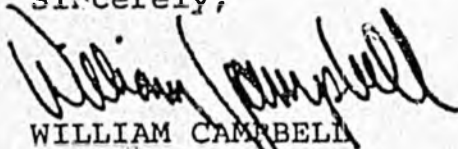
As Chairman of the Joint Committee on Fire, Police, Emergency and Disaster Services, I introduced a measure, Senate Joint Resolution 60, to have the California State Legislature memorialize the Federal Communications Commission to support Petition RM 3975. This measure was successfully passed by both the Senate and the Assembly. Additionally, my Joint Committee conducted public hearings on the issue of emergency communications in order to obtain as comprehensive of a review of this topic as possible.

Since the FCC had disregarded the Sheriff's Petition and is in the process of assigning all remaining radio frequencies, I would like to ask the support of you and your colleagues to join the California State Legislature in support of Petition RM 3975. I have enclosed a copy of SJR 60 for your information. I encourage you to meet with public safety officials in your state who may be familiar with the Petition submitted by the Los Angeles County Sheriff's Department to discuss this issue. Further, based on your state's needs, I hope that you would consider passing a similar resolution to be forwarded to the FCC and your congressional delegation.

Additionally, if your legislature does not already have one, I would like you to consider the possibility of establishing a research committee similar to the Joint Committee on Fire, Police, Emergency and Disaster Services. We have found this committee to be of considerable value in bringing to the forefront those issues of vital importance to our public safety policy decision-making process. I have also enclosed for your review a copy of the Resolution creating the Joint Committee in the California State Legislature.

Thank you for your cooperation in this matter. If you have any questions or if I can be of any assistance, please contact me at your convenience.

Sincerely,



WILLIAM CAMPBELL
Chairman

WC:ssm
Attachments/Enclosures

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE COMMISSIONER

POUCH N
JUNEAU, ALASKA 99811
PHONE:

APR 4 1983

March 31, 1983

The Honorable Joe Hayes
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

I have researched petition RM 3975 Radio Frequencies as requested. In fact, the Department of Public Safety had previously responded in support of RM 3975.

Here in Alaska we also have similar problems, although not as great as the problems in the larger urban areas. The Troopers transmit on eight basic frequencies. Four are simplex channels and four have repeater capabilities.

We share 151.25 with many City Police Departments and Emergency Services personnel. This has virtually eliminated our use of this frequency. We lack a control and command frequency and during emergencies all units not involved must transfer to a simplex channel. This hinders or eliminates communication with many mobile units due to distance between the base station and mobile units (VHF is line of sight communication).

In a disaster, we must bring portable radios from City Police Departments, Fire Departments, National Guard and other Military Units, into our command center. It becomes very confusing attempting to coordinate all these units activities.

Aircraft to mobile communication, during Search and Rescue and on special operations, create problems by tying up primary frequencies. Finally, it is difficult to conduct training exercises due to the lack of a free frequency.

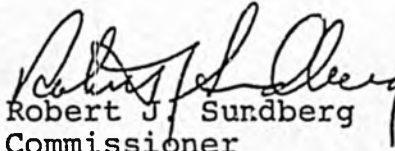
The Honorable
Joe Hayes

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March 31, 1983

I would urge the House of Representatives to support RM 3975 for the benefit of all public safety agencies within the United States. It is important to obtain a favorable ruling from the F.C.C. or these frequencies will be assigned to other users.

Sincerely,


Robert J. Sundberg
Commissioner

Frank H. Murkowski
Joseph D. Early
Ernst F. Hollings

Sarom Thurmond
Thomas F. Hartnett
Bill Frenzel
Ronnie G. Flippo
Wayne Dowdy
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T.R. Anderson, Alaska State Troopers
L.P. Benedetto, Franklin P.D.
W.D. Sirginson, York P.D.
J.M. Brown, Greenville Co. Sheriff
G.E. Tittle, Jr., Folly Beach P.D.
Richard P. Ruondala, Goose Creek P.D.
G.E. Tittle, Jr., Folly Beach P.D.
G.E. Tittle, Jr., Folly Beach P.D.

San Jose (CA) Fire Dept.
Hinds Co. (MI) Sheriff's Dept.
Heflin (AL) Police Dept.
Laconia (NH) P.D.
Baltimore (MD) P.D.
Columbus (OH) P.D.
Alaska Department of Public Safety
W/H. Berlin, Polk Co. Sheriff
R.G. Gillepie, Fulton P.D.
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J. Corley, Montgomery Co Sheriff
V. Campbell, Carrollton P.D.
R.S. Sullivan, Addison P.D.
D.H. Schatz, St. Mary's P.D.
D.L. Heiter, Lewisburg P.D.
A.R. Shaw, Jr.
H.M. Morris, New Orleans P.D.

Gail W. Peterson, Moscow P.D.
H.L. Runyon, Passaic P.D.
S. Stover, Arlington P.D.
R.P. Wille, Palm Beach Co Sheriff
A.F. Clifford, Kirkland P.D.

Eldon Rudd
Judd Gregg

Robert A. Roe ***
Parren J. Mitchell
Robert C. Byrd
Lawton Chiles

George M. O'Brien
Rudy Boschwitz
Nick Joe Rahall II
Charles E. Bennett
Al Swift
Donald W. Riegle, Jr.
Gary Hart
Bruce F. Vento
Robin L. Beard

James H. Quillen
Jim Dunn
Arlen Specter—

John Tower
James A. McClure
George J. Mitchell

Ed Jones

Sam B. Hall, Jr.
W.L. Armstrong

J. Wortham., Maricopa Co.
B.G. Cheney, Laconia P.D.
P.F. O'Leary, N.H. State Police
J.M. Fox, Morris Co. Sheriff's Office
F.J. Battaglia, Baltimore P.D.
H.D. Silverman, Charleston P.D.
W.C. Heinrich, Hillsborough Co.
R.A. Butterworth, Broward Co.
R.P. Wille, Palm Beach Co.
J.J. Wafford, Kissimee P.D.
S.F. Lynn, St. Petersburg P.D.
E.R. Miller, Miami Beach
L.F. Callahan, Fort Lauderdale P.D.
Fred Hayes, Romeoville P.D.
J.F. Mossey, Crystal P.D.
H.D. Silverman, Charleston P.D.
Bob Graham, Florida's Governor

C.E. Camp, Northglenn P.D.

G. Roberts, Commissioner, Tennessee
Dept. of Public Safety
ditto

J.A. Hildebrand, Pontiac P.D.
E.J. Sieminski, Penn. State Rep.
for A.R. Shaw, Jr., Hellertown
Borough P.D.

J. Corley, Montgomery Co. Sheriff
G.W. Peterson, Moscow P.D.
T.J. Lander, Maine Chiefs of
Police Assoc.

G. Roberts, Comm. of Tennessee
Dept. of Public Safety
W.P. Clements, Jr., Governor of Texas
C.E. Camp, Northglenn P.D.

*** second inquiry

REPLY COMMENTS IN OPPOSITION TO RM-3975

Association of Maximum Service Telecasters.

- * Letter to Chairman Fowler
- ** Letter to President Reagan

Congressional Correspondence

Joseph G. Minish
Bill Lowery
Duncan Hunter
Marvyn M. Dymally
Alan Cranston
Charles Pashayan, Jr.
Robert Lagomarsino
Tony Coelho
Bill Lowery ***
Norman Y. Mineta
Wayne Grisham
Robert E. Badham
Don Edwards
Vic Fazio
Julian C. Dixon
David Dreier
William M. Thomas
Bobbi Fiedler
F. James Sensenbrenner, Jr.
Don Edwards ***
Joe Skeen
Dante D. Fascell
John J. Rhodes
Harold L. Volkmer
J. James Exon
F. James Sensenbrenner, Jr.

Harrison Schmitt
Frank Brown
G. William Whitehurst
Ernest F. Hollings
Howard Baker
Claude Pepper
Augustus F. Hawkins
Lloyd Bentsen

for Martin J. Dugan
for Laurence R. Marshall, Oceanside
P.D.
for G.W. Boyd, Coronado P.D.
for Craig L. Meacham, Pres., L.A. Co.
Chiefs of Police
for Sheriff of Tulare County
for J.D. Smith, Lompoc P.D.
for Mayor Martin Howard
for William J. Winters, Chula Vista
Director of Public Safety
for Bruce O. Jordan
for Fremont P.D.
for Roger M. Moulton, Montclair P. D.
for Jon D. Schorle, San Francisco
State Univ., Dir. of Public Safety
for Fremont P.D.
for R.S. Swenor, Ruidoso P.D.
for Emmett R. Miller, Miami Beach
P.D.
for Ronald J. Danielson, Chandler
(AZ) P.D.
for Richard Gillespie, Fulton (MO)
P.D.
for J.L. Friend, P.S. Director for
Omaha
for Donald E. Rosenbauer, P.S.
Director for Brown Deer
for R.S. Swenor, Ruidoso P.D.
for Craig E. Camp, Northglenn (CO)
P.D.
for York; Goose Creek;
Greenville; Folly Beach
for Sidney R. Mathews, Athens P.D.
for Emmett R. Miller, Miami
Beach P.D.
for California Emergency Council
(Resolution)
for Doyme Bailey, Travis Co. Sheriff

Ottawa County (MI) Sheriff's Department
Socorro County (NM) Sheriff
County of Riverside (CA) Fire Chiefs (Resolution)
Orange County (CA) Fire Chiefs' Association (Resolution)
Mesquite Public Safety Communications Division
San Bernardino Co. (CA) Law Enforcement Administrative
Officers' Assoc.
Lewisburg Borough (PA) Council (Resolution)

Other

National Association of Business and Educational Radio, Inc.
Robert E. Browning

COMMENTS IN OPPOSITION TO PETITION RM-3975

Association of Maximum Service Telecasters
National Association of Public Television Stations
National Association of Broadcasters
California State University and Colleges for San
Diego State University

--REPLY COMMENTS IN SUPPORT OF RM-3975

Los Angeles County Chiefs of Police Association (Resolution)
Los Angeles (CA) Communications Division
Los Angeles Police Department
California Peace Officers' Association
Peace Officers Association of Los Angeles County
Adelanto (CA) Police Department
Marysville (CA) Police Department
Coronado (CA) Police Department
Gilroy (CA) Police Department
Walnut Creek (CA) Police Department
Sheriff-Coroner of Sutter County (CA)
Missouri Chapter of the Associated Public-Safety
Communications Officers, Inc.
City of Coronado (CA) Police Department
City of Marysville Chief of Police *
Calipatria (CA) Police Department
Redlands (CA) Police Department
Montclair (CA) Police Department
Livermore (CA) Police Department
South Lake Tahoe (CA) Chief of Police *
Tulare County (CA) Sheriff's Department
Chula Vista, California, Department of Public Safety
Glendale (CA) Police Department
Pinole (CA) Police Department
Turlock (CA) Police Department
Woodland (CA) Police Department

Martinez (CA) Police Department
Long Beach (CA) Police Department
Firebaugh (CA) Police and Fire Department
Mountain View (CA) Police Department
San Jose (CA) Police Department
Escondido (CA) Police Department
Sonoma County (CA) Sheriff's Department
St. Helena (CA) Police Department
Fremont (CA) Police Department
Newport Beach (CA) Police Department
Sacramento (CA) Police Department
Contra Costa County (CA) Police Chiefs Association
South Bay (CA) Regional Public Communications Authority
L.A. County District Attorney's Office
County of Orange (CA)
Culver City (CA) Police Department
Ventura County (CA) Sheriff's Department
San Joaquin County (CA) Sheriff's Department
Clayton (CA) Police Department
Department of Justice (CA)
Concord (CA) Police Department
City of Simi Valley (CA) Police Department *
Baldwin Park (CA) Chief of Police *
Sanger Police Department
Carpinteria (CA) City Council (Resolution)
Buena Park (CA) Police Department
Hercules (CA) Department of Public Safety Services
San Francisco State University Department of Public Safety
Orange County Chiefs of Police and Sheriff's Association
Orange (CA) Police Department
Pleasant Hill Police Department
International Association of Fire Chiefs, Inc. (IAFC)
San Jose (CA) Fire Department
Campbell (CA) Police Department
California Fire Chiefs Association
Daniel E. Boatwright, California State Senator
Sacramento County (CA) Sheriff's Department
San Buenaventura (Ventura) (CA) Police and Fire Departments
San Buenaventura ("Ventura", CA) Police and Fire Departments
Culver City (CA) Council resolution **
Lawrence (IA) Police Department
Milwaukee (WI) Department of Police
Columbus City Council (Resolution)
Moscow (ID) P.D. (transmitted by the Governor's office)
Nassau Co (NY) P.D. *
Florida Governor's Office *

New York State Association of Chiefs of Police, Inc.
Sheriff, Jefferson County (AL)
Ponca City (OK) Chief of Police
Long Beach (NJ) Police Department
City of Seward (AK) Chief of Police
Rittman (OH) Police Department
Hamilton (OH) Director of Public Safety
Mound (MN) Police Department
Luzerne County (PA) Police Emergency Radio Network
Douglas (AZ) Police Department
Columbus (OH) Division of Communications
Paris (TN) Police Department
North Kansas City (MO) Police Department
Hagerstown (MD) Department of Police
Carlsbad (NM) Police Department
Sterling Heights (MI) Police Department
Trumbull County (OH) Sheriff's Department
Cleveland (OH) State University Police Department
Barry County (MI) Sheriff's Department
Mono County (CA) Sheriff-Coroner
Marlborough (NY) Police Department
Cheektowaga (NY) Police Department
Glendora (CA) Police Department
Massillon (OH) Police Department
Clute (TX) Police Department
Bloomfield (CT) Chief of Police
West Bloomfield (MI) Police Department
Lapeer County (MI) Sheriff's Office
Oklahoma City (OK) Police Department
Boise Police Department and Ada County Sheriff's Department (ID)
Anchorage (AK) Police Department
Richardson (TX) Department of Police
Grandview Heights (OH) Division of Police
Chautauqua County (NY) Sheriff's Department
Clay County (MO) Sheriff
Greene County (MO) Sheriff
Sapulpa (OK) Police Department
Howard County (MD) Department of Police
Beaumont (TX) Police Department
Appleton (MN) Police Department
San Angelo (TX) Police Department
St. Louis County (MO) Police Department
Oregon State Police
Ypsilanti (MI) Police Department
Carmel (CA) Chief of Police
Cuyahoga Falls (OH) Police Department
Blue Mountain (PA) Control Centre
Egg Harbor (NJ) Communications Department
Woodway (TX) Public Safety Department
St. Mary's County (MD) Sheriff
Milwaukie (OR) Police Department
Dallas (OR) Chief of Police
Huntington (WV) Police Department
Tuscola County (MI) Sheriff's Department

Jackson County Sheriff's Department
Portsmouth (NH) Police Department
Summit County (OH) Sheriff
Wallingford (CT) Department of Police Service
Bridgewater (NJ) Police Department
Mohave County (AZ) Office of the Sheriff
Newark (OH) Department of Public Safety
Bay Village (OH) Division of Police
Lubbock (TX) Police Department
Glastonbury (CT) Chief of Police
County of Riverside
New Jersey State Police
Downriver Mutual Aid Task Force
New York City Police Department
New York State Police
Inver Grove Heights (MN) Police Department
Siskiyou County (CA) Sheriff's Office
Connecticut State Police
Palo Alto (CA) Police Department
Preston County (WV) Communications Center
Chagrin Falls Police Department
Celina (OH) Police Department
Ogdensburg (NY) Police Department
Oakland (CA) Police Department
Town of Greece (NY) Police Department
Stow (OH) Department of Police
Perry Township Police Department
Mansfield (OH) Division of Police
Salt Lake City (UT) Police Department
Norman (OK) Police Department
Oakridge (OR) Police Department
Royal Oak (MI) Superintendent of Communications
Bedford Town (NY) Police Department
Nassau County (NY) Police Department
Department of California Highway Patrol
Nitro (WV) Police Department
Tennessee Bureau of Investigation
Youngstown (OH) Police Department
Southfield (MI) Chief of Police
Prince George's County (MD) Chief of Police
Rolla (MO) Department of Police
Baltimore County (MD) Police Department
Michigan Public Safety Frequency Advisory Committee (APCO)
Northern California Chapter of APCO
City Council of the City of Chula Vista (CA) (Resolution)
Los Angeles (CA) Communications Division
Department of Justice, State of California
San Francisco (CA) Police Department
San Jose (CA) Police Department
City of Hayward (CA) Police Department
State of Alaska's Department of Public Safety
Brooklyn Center (MI) Police Department
California Public-Safety Radio Association
Ottawa County (MI) Sheriff's Department

A P P E N D I X

COMMENTS IN SUPPORT OF PETITION RM-3975

Sales and Service Businesses

Seattle Pacific Communications, Inc. (Kirkland, WA)
Dennis Two-Way Radio, Inc. (Abilene, TX)
American Communications, Inc. (Fort Worth, TX)
Scorpio Communications (Fort Worth, TX)
TEAM Electronics (Grand Forks, ND)
Licciardi Radio Communications, Inc. (Rochester, NY)
Rassbach Communications Service, Inc. (Eau Claire, WI)
Leflore Communications, Inc. (Greenwood, MS)
WLAK Electronics Service, Inc. (Lakeland, FL)
Hill Radio (Bloomington, IL)
Johnson Communications Corporation (Winter Park, FL)
Wentz Electronics (Snoqualmie, WA)
Warner Communications Corp. (St. Louis, MO)
Southwest Communications Service (Oklahoma City, OK)
Marshall Communications (Whiteland, IN)
Communications Engineering, Inc. (Las Vegas, NV)
Warner Communications Co., Inc. (Upper Montclair, NJ)
Cook Communications Co. (Mt. Pleasant, MI)
Northwest Marine Center (Portland, OR)
Yuma Electronics, Inc. (Yuma, CO)

Local Government & Public Safety Organizations

California Police Chief's Association
Associated Public-Safety Communications Officers, Inc. (APCO)
Sacramento, California Department of Police
El Cajon, California City Council
West Valley City Police Department
State of Minnesota
Florida Division of Communications
Grants New Mexico Police Department
Farmington (NM) Police Department
Tuscarawas County (OH) Sheriff
Hillside (NJ) Department of Police
Culver City (CA) Fire Department
City of Pearland (TX)
City of Oceanside (CA)
American Public Works Association
Nassau County (NY) Sheriff's Department
Mesa (AZ) Police Department
Geauga County (OH) Sheriff's Department
Birmingham (MI) Police Department
Montana Highway Patrol
Beverly Hills (CA) Fire Department

Kalamazoo (MI) Chief of Police
Maplewood (MN) Police Department
Anoka (MN) Police Department
Georgia Bureau of Investigation
Sacramento County (CA) Fire Chiefs Association
St. Lawrence County (NY) Sheriff's Office
Eagan (MN) Police Department
Nebraska State Patrol
Kittson County (MN) Sheriff Department
Phoenix (AZ) Police Chief
Painesville (OH) Division of Police
Mineral County (NV) Sheriff
Oakland County (MI) Sheriff's Department
Rowlett (TX) Police Department
Provo (UT) Chief of Police
Jefferson County (TX) Sheriff's Office
San Bernardino (CA) Communications Department
University of Arizona Police Department
Town of Barrington (RI) Police Department
Township of Old Bridge (NJ) Police Department
Xenia (OH) Division of Police
Ingham County (MI) Sheriff
Buckeye State (OH) Sheriffs' Association
Montgomery County (Ga) Sheriff's Office
Ohio Chapter of APCO
Deschutes County (OR) Sheriff
Douglas County Sheriff's Office
Town of Windsor (CT) Chief of Police
City of Bartlesville (OK) Police Department
City of Azusa (CA) Police Department
Cottage Grove (MN) Police Department
Brigham City (UT) Police Department
Lorain County (OH) Sheriff
Addison (TX) Chief of Police
Orange County (TX) Sheriff's Department
San Joaquin County (CA) Sheriff-Coroner's Office
Brookfield (OH) Police Department
Tonawanda (NY) Chief of Police
Garden City, Wayne, Westland and Inkster (MI) Police Departments
Storey County (NV) Sheriff
Bend (OR) Police Department
Lake Havasu City (AZ) Police Department
Georgia Department of Human Resources
City of Troutdale (OR) Chief of Police
Beverly Hills (CA) Department of Police
Sherburne County (MN) Sheriff
Michigan State Office of Criminal Justice
Lake Oswego (OR) Police Department
International Association of Chiefs of Police, Inc. (IACP)
Henry County (MO) Sheriff
Pima County (AZ) Department of Communications
Woodbury (MN) Police Department
Corvallis (OR) Police Department
Sheriff of Benton County (OR)

that the area between 25 and 470 MHz was generally considered best for the mobile environment, Land Mobile held only 40 MHz of spectrum or about 4.2% of the 975 MHz amenable to mobile operations.

1.5. The result of these practices was to fragment Police and Fire operations over three bands (LO-VHF, HI-VHF & UHF). In actual practice these three bands, due to equipment limitations, were divided into five operational bands (33 to 41 MHz, 42 to 50 MHz, 153 to 158 MHz, 166 to 170 MHz and 453 to 458 MHz). With the recent additions of the 470 to 512 MHz and 800 MHz bands, these organizations now operate on seven to eight different bands (equipment band width limitations) with little capability of coordinating tactical operations.

1.6. It does little good to say that agencies could coordinate by mutual agreements and crossbanding with scanners or additional radio equipment. The simple fact is that the issue has become too complex in most areas for this to be effective. Proper Command and Control techniques mandate a more uniform approach.

1.7. While Public Safety communications spectrum has become fragmented, there has been a steady increase in demands for service by the public. This has resulted in higher utilization rates for Public Safety systems with the result of congestion on most radio channels. This is painfully true in such metropolitan areas as Los Angeles, New York and Chicago. With rising crime

rates and the availability of tactical data bases for inquiry, channel utilization on police frequencies has increased to the point where 20 to 25 radio field units in a moderately busy area can fully load a radio channel. This assumes that a normal waiting time for a police frequency at average peak periods is approximately five seconds.

1.8. Conditions of frequency congestion on many police frequencies are such that normal Command and Control activities cannot be maintained during busy periods. Emergent operations such as pursuits or other life urgent activities consume available air time to the detriment of other less urgent traffic. In many areas, operational and financial restraints necessarily require that certain types of services, though potentially hazardous to officers or the public, must be relegated to low priority and handled off the air or not at all. This issue was documented by federal task forces almost a decade ago and it continued to be aggravated without relief from the FCC.

1.9. Another item identified by these task forces was the almost universal inability of Public Safety communications centers to cope with major disasters or disturbances. The Mount Saint Helens Volcano disaster most graphically demonstrated this issue. The lack of coordinating frequencies, common equipment and the size of the area all combined to make communications extremely difficult and slow.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

In the Matter of)
Amendment of Part 90 and Part 73)
of the Commissions Rules and)
Regulation to Allocate Additional)
Channels in the 470 MHz to)
512 MHz Band for Public Safety)
and other Land Mobile operations.)

Petition of the Sheriff of Los Angeles County

1.1. The Los Angeles County Sheriff's Department, in compliance with Section 1.401 of the Commission's Rules, hereby petitions the Commission to change the Rules under Part 90 and Part 73 to provide additional allocated frequencies to the Land Mobile Service for Public Safety Agencies from that part of the spectrum located within the UHF-TV Band between 470 MHz to 512 MHz (Channels 14 through 20) as set forth in this document.

1.2. More specifically, the Sheriff's Department proposes that the commission provide that all of the channels within this Band be provided for Land Mobile services with block allocations for each service. Block allocation for Public Safety emergency operations should be provided with sufficient quantities of frequencies as to provide for growth needs through the next two decades. To achieve this, we suggest that two contiguous UHF-TV Channels within this spectrum be specifically allocated to Public Safety in the major metropolitan areas such as Los Angeles, Chicago and New York. Further, we suggest that a block of

contiguous frequencies within this Band, proportional to the local population, also be allocated for those less populated urban and rural areas. These Public Safety Channels should be reserved for Police and Fire operations; for as with the military, they have a constant requirement for tactical communication and coordination.

1.3. Since 1949, there has been little change in spectrum allocation for land mobile. The growth of service within this band has been the burden of the users. Improvements in technology has been a continuing process for the Land Mobile community with service continually being compressed within the allocated spectrum; thereby allowing the Commission to largely ignore the increasing needs of this service. Inherent within this process was the "block" allocation which placed similar services together within a specific block.

1.4. While the process of block allocation provided benefits to the various services at that time, it was not to the best advantage of Police or Fire operations as they have been squeezed across the spectrum with the rest of the Land Mobile community. In the spectrum between 25 to 1000 MHz, that area generally considered adequate for land mobile use, there is 975 MHz of spectrum. Approximately 16% (156 MHz) of this was allocated to land mobile. In actuality, when one considers that approximately 115 MHz of the Land Mobile allocation is generally unusable and

RESOLUTION CHAPTER 27

Senate Concurrent Resolution No. 15—Relative to the Joint Committee on Fire, Police, Emergency, and Disaster Services.

[Filed with Secretary of State May 11, 1981.]

LEGISLATIVE COUNSEL'S DIGEST

SCR 15, Campbell. Joint Committee on Fire, Police, Emergency, and Disaster Services.

This measure would create the Joint Committee on Fire, Police, Emergency, and Disaster Services, and provide for the membership, authority, and duties of the committee.

WHEREAS, Fire, police, emergency medical services, and disaster services are generally regarded as the most crucial life-safety services a governmental entity can provide its residents, and while these services are locally controlled and determined, the state government provides, regulates, and coordinates these services, and has an impact on the level and quality of fire, police, emergency medical services, and disaster services; and

WHEREAS, In California, the state has a number of departments, agencies, and offices that assist, influence, and regulate these locally administered services, such as the Department of Forestry, the Department of Justice, the State Fire Marshal's Office, the California Highway Patrol, the Health and Welfare Agency, the Office of Emergency Services, the California Conservation Corps, the California National Guard, the Department of Transportation, and the Community College System, which are but a few of the state's resources which directly affect the level and quality of fire, police, emergency medical services, and disaster services provided by local entities; and

WHEREAS, The demand for fire and police services is rapidly escalating, and professionals in these fields must interact with each other to provide disaster services, and they must be well-trained, well-equipped, and capable of cooperating in adverse situations in order to protect and assist the public; and

WHEREAS, Fire, police, and emergency services must respond to the needs of individuals and property threatened by natural or manmade occurrences, such as fire, flooding, drought, wind, war, or accident; and

WHEREAS, There is a need for greater analysis and depth of understanding of the need for disaster services involving fire, police, and other agencies in response to a natural or manmade calamity, including an objective analysis of the inherent problems of providing disaster services, and the degree to which life-safety services are

interrelated and supported; and

WHEREAS, There is a need for a coordinated effort in addressing these issues and there has never been an identified agency to which the life-safety professionals could go to explain their problems, concerns, and needs in providing disaster services; and

WHEREAS, A broad approach to the problem of providing these services is needed, which would involve a more realistic, uniform, all-encompassing approach to the disaster problem, considering the groups and the points they share in common; now therefore, be it

Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Joint Committee on Fire, Police, Emergency, and Disaster Services is hereby created, and authorized and directed to ascertain, study, and analyze facts relating to fire, police, emergency medical services, and disaster services, including the following:

1. Identify the extent of available disaster services, considering such factors as cost, personnel, and training.
2. Identify the need for disaster services.
3. Identify the local capabilities to provide disaster services, such as the level and quality variations among various entities.
4. Identify the state's impact on these services.
5. Identify problems encountered in providing these services, such as personnel, states-of-the-art, funding, regulations, and coordination.
6. Provide a forum for discussion of these services, and encourage the professionals, labor, management, and scholars to express their views and opinions.
7. Increase public awareness of life-safety and disaster services, and approach these services on their common, complementary aspects.
8. Recommend how state resources, such as fiscal, legislative, and technical, can be most effectively applied to enhance the life-safety and well-being of California's residents.
9. Recommend how these services should be funded; and be it further

Resolved, That the committee shall consist of five Members of the Senate appointed by the Committee on Rules thereof, and five Members of the Assembly, appointed by the Speaker thereof; and be it further

Resolved, That the committee and its members shall have and exercise all of the rights, duties, and powers conferred upon investigating committees and their members by the provisions of the Joint Rules of the Senate and Assembly as they are adopted and amended from time to time, which provisions are incorporated herein and made applicable to this committee and its members; and be it further

Resolved, That the committee has the following additional powers and duties:

1. To cooperate with and secure the cooperation of the federal government, the state, and any county, city, city and county, and other local fire, law enforcement, emergency medical service agency, and disaster service agency in investigating any matter within the scope of this resolution.

2. To do any and all other things necessary or convenient to enable it fully and adequately to exercise its powers, perform its duties, and accomplish the objects and purposes of this resolution; and be it further

Resolved, That the committee shall terminate on November 30, 1982.

Senate Joint Resolution No. 60

RESOLUTION CHAPTER 152

Senate Joint Resolution No. 60—Relative to radio telecommunications.

[Filed with Secretary of State August 30, 1982.]

LEGISLATIVE COUNSEL'S DIGEST

SJR 60, Campbell. Radio telecommunications.

This measure would memorialize the Federal Communications Commission to allocate additional radio spectrum frequencies to Land Mobile Service for Public Safety Agencies in major metropolitan and urban areas of the United States pursuant to the principles set forth in a petition submitted to the Federal Communications Commission by the Los Angeles County Sheriff.

WHEREAS, The Los Angeles County Sheriff's Department has petitioned the Federal Communications Commission in compliance with S.1.401 of the Commission's rules, to provide, in sufficient quantities, additional allocated frequencies to Land Mobile Service for Public Safety Agencies in the major metropolitan areas like Los Angeles, Chicago, and New York; and

WHEREAS, The Los Angeles County Sheriff's Department, in the petition, further suggested that a block of contiguous frequencies proportionate to the local population also be allocated for those less populated urban and rural areas; and

WHEREAS, Radio telecommunication is the principal medium of command and control communications for those agencies which are charged with the maintenance of the public safety; and

WHEREAS, There are insufficient radio spectrum frequencies allocated in the Land Mobile public service; and

WHEREAS, The California Emergency Council, in cooperation with the California Peace Officers Association, has resolved to support in principle the petition submitted to the Federal Communications Commission by the Sheriff of Los Angeles County, in the interest of all public safety organizations in the United States; and

WHEREAS, The California Emergency Council seeks the allocation of additional radio spectrum frequencies as proposed in the petition now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Federal Communications Commission to adopt the principles in the petition submitted by the Sheriff of Los Angeles County; and be it further

Resolved, That the Secretary of the Senate transmit copies of this

Res. Ch. 152

— 2 —

resolution to the Federal Communications Commission.

HJR

52

HJR 52



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

February 17, 1984

MEMORANDUM

TO: Representative Bob Bettisworth
Attention: Ralph Bennett

FROM: O. Alexander Hoke *E. A. Leonard, Alaska*
Legislative Analyst

RE: Impact of Biennial Budgeting on Cash-Based Budgeting
Research Request 84-040

As you requested, this memorandum addresses the impact of legislation which initiates biennial budgeting (HJR 52 and HB 485) on the proposal to institute cash-based budgeting in the state (CS HJR 39).

Multiple Interpretations of Biennial Budgeting

The implications of having both biennial budgeting and cash-based budgeting approved by the voters in the upcoming general election depends substantially on the ultimate legislative interpretation of these budgeting concepts. As discussed in David Teal's November 25, 1983 memorandum to you, biennial budgeting has different meanings in the states in which it is practiced. Nine states have both biennial sessions with biennial budgets and special provisions for amending the budget on an annual basis. Twelve states have annual sessions with biennial budget cycles, and provide for full legislative review of the budget each year. Of the 21 states with a biennial budget, all but four make separate appropriations for each year of the biennium. Biennial budgeting practices among the states range from systems almost indistinguishable from annual budgeting to true two-year budgets with allowances for only minor (or emergency) amendments.

Biennial budgeting under HJR 52 and HB 485 seems to qualify as a true two-year budget and appropriation cycle. Biennial budgeting in HJR 52 calls upon the governor to submit "a budget for the next two fiscal years setting forth all proposed expenditures and anticipated income ...with a general appropriation bill to authorize the proposed expenditures..." The companion bill (HB 485) states that "the biennial budget shall contain appropriations for the succeeding two fiscal years and state agencies shall prepare their budgets on this basis."

The Intent of Cash-Based Budgeting

The intent of cash-based budgeting (as defined by HJR 39) is to eliminate "revenue uncertainty" by restricting appropriations for a given fiscal year to the level of total General Fund unrestricted revenues for the preceding calendar year. HJR 39 provides for a cash reserve equal to 1.5 times the appropriations of the fiscal year preceding the start of cash-based budgeting. With this cash reserve, the legislature can be certain that funds are available to cover expenditures through the balance of the current fiscal year (6 months) and the coming fiscal year (12 months).¹

Revenue Certainty Under A Biennial Budget

An 18-month revenue reserve is needed when cash-based budgeting applies to a 12-month budgeting period. If the State adopted a two-year (24-month) budget period through biennial budgeting, cash-based budgeting would require a 30-month cash reserve in order to provide full certainty that available funds are sufficient to offset expenditures over the budget period. With a 30-month reserve, the legislature would know at the beginning of the session that funds were available to cover expenditures through the remainder of the current budget period (6 months) as well as the coming budget period (24 months).

Table 1 shows the fiscal impact of combining the concepts of biennial budgeting and cash-based budgeting (as defined by HJR 39) for a 30th percentile revenue projection. The fiscal impact of these two proposals is the requirement of annual contributions (column 7) of general funds of between \$267 and \$358 million for a 12-year period, totaling \$3.686 billion. The underlying assumption of this calculation is that the legislature intends to prepare a two-year budget and wants to be certain that funds will be available to cover the total appropriation for the two-year budget.

In comparison with a two-year budget cycle, the cost of cash-based budgeting as defined in CS HJR 39 is \$2.866 billion (sum of contributions shown in Table 2), or \$820 million less than the cost of cash-based budgeting under a true biennial budget cycle.

¹See House Research Agency report 83-A; Cash-Based Budgeting: A Response to Revenue Uncertainty.

Table 1

THE GENERAL FUND AS A REVENUE SOURCE FOR CASH-BASED BUDGETING
Based on a 30th Percentile Revenue Projection
(millions of dollars)

Fiscal Year	DOR Revenue Forecast	Revenue Under CBB	Potential Expenditure Level	General Fund Earnings	General Fund BalanceCash-Based Budgeting Reserve Fund....		
						Contributions	Earnings	Balance
1981	3,769		3,769	201	2,010			
1982	4,174		4,174	254	2,540			
1983	3,624		3,624	266	2,660			
1984	3,233		3,233	300	3,000			
1985	3,219		3,219	250	2,500			
1986	3,365	3,069	3,069	259	2,590	296.1	14	310
1987	3,729	3,401	3,401	288	2,880	328.2	48	686
1988	3,711	3,384	3,384	288	2,880	326.6	87	1,100
1989	4,068	3,710	3,710	318	3,180	358.0	132	1,590
1990	3,880	3,539	3,539	301	3,010	341.4	183	2,114
1991	3,582	3,267	3,267	275	2,750	315.2	236	2,665
1992	3,536	3,225	3,225	270	2,700	311.2	294	3,270
1993	3,405	3,105	3,105	258	2,580	299.6	357	3,927
1994	3,290	3,000	3,000	247	2,470	289.5	425	4,641
1995	3,195	2,914	2,914	236	2,360	281.2	499	5,421
1996	3,033	2,766	2,766	222	2,220	266.9	580	6,269
1997	3,092	2,820	2,820	225	2,250	272.1	669	7,210
1998	3,159	3,890	3,063	960	10,327			
1999	3,213	3,989	3,491	1,007	10,845			
2000	3,245	4,029	3,939	1,011	10,945			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

col.

- 2 Department of Revenue January, 1984 revenue projection.
- 3 Revenues after effects of cash-based budgeting program. During the CBB reserve contribution period, revenues (column 3) are equal to DOR projections minus annual CBB contributions. Starting with the first cash-based budgeting year, revenues (column 3) are equal to DOR projections plus additional earnings which accrue to the general fund as a result of transferring the CBB reserve fund balance to the general fund.
- 4 Expenditure levels are presently limited to projected revenues (ignoring the Constitutional appropriation limit). Beginning with the first cash-based budgeting year, expenditures will be limited to the revenues collected in the previous calendar year.
- 5 General fund earnings are DOR projections up to the start of cash-based budgeting, at which point the general fund earnings will be augmented due to the increased earnings capacity of the general fund from that point on into the future.
- 6 Beginning with the first cash-based budgeting year, the general fund balance is substantially increased by the transfer of the CBB reserve fund.
- 8 Reserve fund earnings are calculated at a 10 percent annual interest rate compounded monthly.
- 9 The earnings rate of the CBB reserve fund is compounded monthly using a 10% annual interest rate.

This projection is based on a general fund unrestricted revenue contribution of 8.8 percent.

Table 2

THE GENERAL FUND AS A REVENUE SOURCE FOR CASH-BASED BUDGETING
Based on a 30th Percentile Revenue Projection
(millions of dollars)

Fiscal Year	DOR Revenue Forecast	Revenue Under CBB	Potential Expenditure Level	General Fund Earnings	General Fund Balance	...Cash-Based Budgeting Reserve Fund....		
						Contributions	Earnings	Balance
1981	3,769		3,769	201	2,010			
1982	4,174		4,174	254	2,510			
1983	3,624		3,624	266	2,660			
1984	3,233		3,233	300	3,000			
1985	3,219		3,219	250	2,500			
1986	3,365	3,069	3,069	259	2,590	296.1	14	310
1987	3,729	3,401	3,401	288	2,880	328.2	48	686
1988	3,711	3,384	3,384	288	2,880	326.6	87	1,100
1989	4,068	3,710	3,710	318	3,180	358.0	132	1,590
1990	3,880	3,539	3,539	301	3,010	341.4	183	2,114
1991	3,582	3,267	3,267	275	2,750	315.2	236	2,665
1992	3,536	3,225	3,225	270	2,700	311.2	294	3,270
1993	3,405	3,105	3,105	258	2,580	299.6	357	3,927
1994	3,290	3,000	3,000	247	2,470	289.5	425	4,641
1995	3,195	3,644	3,348	685	7,297			
1996	3,033	3,483	3,467	672	7,174			
1997	3,092	3,540	3,564	673	7,180			
1998	3,159	3,617	3,512	687	7,325			
1999	3,213	3,680	3,578	698	7,447			
2000	3,245	3,718	3,648	705	7,527			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

col.

- 2 Department of Revenue January, 1984 revenue projection.
- 3 Revenues after effects of cash-based budgeting program. During the CBB reserve contribution period, revenues (column 3) are equal to DOR projections minus annual CBB contributions. Starting with the first cash-based budgeting year, revenues (column 3) are equal to DOR projections plus additional earnings which accrue to the general fund as a result of transferring the CBB reserve fund balance to the general fund.
- 4 Expenditure levels are presently limited to projected revenues (ignoring the Constitutional appropriation limit). Beginning with the first cash-based budgeting year, expenditures will be limited to the revenues collected in the previous calendar year.
- 5 General fund earnings are DOR projections up to the start of cash-based budgeting, at which point the general fund earnings will be augmented due to the increased earnings capacity of the general fund from that point on into the future.
- 6 Beginning with the first cash-based budgeting year, the general fund balance is substantially increased by the transfer of the CBB reserve fund.
- 8 Reserve fund earnings are calculated at a 10 percent annual interest rate compounded monthly.
- 9 The earnings rate of the CBB reserve fund is compounded monthly using a 10% annual interest rate.

This projection is based on a general fund unrestricted revenue contribution of 8.8 percent.

Representative Bettisworth

February 17, 1984

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Biennial Budgeting With Annual Review

If the State of Alaska budgeted biennially but with full legislative review annually, the effect would be little different from annual budgeting. Consequently, the impact of this type of biennial budgeting on cash-based budgeting would be negligible.

We hope that this information is helpful in your deliberations on biennial budgeting. If you have further questions regarding the relationship of biennial budgeting to cash-based budgeting, please give the agency a call.

OAH

Alaska State Legislature



REPRESENTATIVE

POUCH V
JUNEAU, ALASKA 99811

ROBERT H. "BOB" BETTISWORTH

211 CUSHMAN STREET
FARBANKS, ALASKA 99701

February 16, 1984

M E M O R A N D U M

To: Representative Mitch Abood, Chairman, House State Affairs Committee

From: Representative Bob Bettisworth *YPHB*

Subject: HJR52--Proposing an amendment to the Constitution of the State of Alaska to provide for a biennial budget.

It has become increasingly apparent to me since becoming a legislator, that the time consumed each session for budget related activities seems to be expanding each year. The experiences of other states that have adopted biennial budget cycles seem to indicate that the administrative agency budget preparation workload is reduced, program evaluation is enhanced by the increased time frames available for reviews, and long range planning opportunities are improved as well. Most observers of the budget process seem to agree, regardless of perspective, that improved planning mechanisms are essential and this is especially so in Alaska.

Some states now utilizing biennial budget cycles have found that legislative control over spending may be diminished. I don't think this problem is inherent in the system chosen but rather constitutes a lack of clear direction to the executive branch. Another criticism that jurisdictions have for biennial budget systems centers on the inaccuracy of revenue forecasts but this problem is already a major factor in Alaska and would not appear to be exacerbated by moving to a two year budget cycle.

Research indicates that the length of the budget cycle does not appear to have much effect on the level of state spending.

Variations on biennial budget systems are extensive among the states and it is likely that annual budget revisions--especially in operating budgets regardless of format--are a virtual certainty. Major time savings are likely to result by avoiding the current practice of complete annual budget preparation and legislative review. This is especially true for the operating budget and some savings would accrue in the capital budget area as well. Under most biennial budget scenarios, the comprehensive and time consuming operating budget review process could be significantly curtailed in off years and only essential program funding changes would have to be addressed.

HJK 52

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

RECEIVED
8-17-83

POUCH STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM

August 15, 1983

SUBJECT: Biennial state budget
(Work Order No. 13-1508)

TO: Representative Robert H. Bettisworth

FROM: Keith B. Levy *KBL*
Legislative Counsel

In drafting your bill request establishing a biennial state budget, I neglected to point out to you that Article IX, Section 12 of the Constitution of the State of Alaska requires an annual budget:

The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year setting forth all proposed expenditures and anticipated income of all departments, offices, and agencies of the State. The governor, at the same time, shall submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

Thus, your bill is technically in violation of this constitutional provision since it requires the governor to submit a budget every two years rather than annually.

This problem can be resolved in one of two ways. The first would be to amend Article IX, Section 12 of the constitution to provide for a biennial budget rather than an annual one. A more simple solution would be to redraft your bill to provide for a biennial budget, but require the governor to submit an amended budget every other year covering the second fiscal year of the biennial budget. In that way, the constitutional requirement would be met since the governor would be submitting a budget annually, but the bulk of the budget process would be completed biennially.

If you have any questions or if you would like a redraft of your bill, please feel free to contact me.

KBL:lmb
L2/049



Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

November 25, 1983

MEMORANDUM

TO: Representative Rob Bettisworth

FROM: David Teal
Legislative Analyst

RE: Biennial Budgeting
Research Request 83-239

This memorandum responds to your request for information on states that have a budget cycle longer than one year. The Council of State Governments (CSG) and the National Conference of State Legislatures (NCSL) provided much of the information required to fulfill your request. Because the information received from these sources is concise and limited to the question at hand, only the highlights are reviewed in this memorandum. Material provided by the CSG and NCSL are attached.

In the early 1940s, only four states had annual legislative sessions. There are now only nine states with legislatures that do not convene annually. The budget process is the primary reason that many states have converted to annual sessions.

Attachment A classifies states according to the length of their budget cycle and the time between legislative sessions. As noted above, nine states have biennial sessions and operate under a two-year budget cycle. Of the 41 states with annual legislative sessions, 29 have a one-year budget cycle. The remaining 12 states are on a two-year budget cycle. No state has a budget cycle longer than two years. The 12 states that have annual sessions and biennial budgets have the potential for full legislative review of the budget each year. All of the nine states with biennial sessions have some procedure for amending the budget during the biennium. Procedures for amending the budget include special legislative action, delegation of authority to a legislative committee or emergency board, and executive branch transfers between agencies or programs.

The Council of State Governments and the Public Affairs Research Council of Louisiana surveyed states to obtain their views on annual versus biennial budgeting. Highlights from those surveys are listed below and the published survey results are attached to this memorandum.

Representative Rettisworth
November 25, 1983
Page 2

- Biennial budgeting reduces the budgetary workload (particularly for the executive branch), increases the time available for program evaluation, and may encourage long-range planning.
- Biennial budgeting may reduce legislative control over spending, provide less flexibility to meet requirements for receipt of federal funds or other purposes, and cause legislators to work with less accurate forecasts of revenue.
- Most states are satisfied with the system currently used in their own state.
- Most respondents felt that the length of a budget cycle had no significant effect on the level of state spending.

The conclusion of the Louisiana survey was that the success of a budget cycle seems to depend on the commitment of state officials to good implementation rather than on the method of budgeting. The Louisiana report also stated that the arguments used to support the systems are unproven; neither an annual nor biennial cycle is clearly superior to the other.

Budget Amendments Under Biennial Budgeting

Ken Kirkland, program director of the fiscal affairs section of NCSI, said that most states on a two-year budget cycle are unable to avoid substantial annual revision of their biennial budget. He added that some states on a biennial budget cycle avoid annual budget amendments by "overfunding" operating costs and relying on the executive branch to act in a fiscally conservative manner.

In those states where the budget process includes an annual review of a biennial budget, the budget process in the "review year" is often streamlined. State agencies are generally required to submit budget documents only for changes from the approved amounts instead of preparing a complete justification package. Maine, Iowa and other states that use this process claim that it combines the best features of both the annual and biennial budget cycles.

The analysis of budget cycles is not as straightforward as one might expect. Biennial budgets do not necessarily mean that appropriations are made for a two-year period. The 1982-83 Book of the States (Attachment D) shows that 17 of the 21 states on a biennial budget cycle make separate appropriations for each year of the biennium (see footnote a of Attachment D). In addition, extensive annual budget review and revision can make biennial budgeting virtually indistinguishable from annual budgeting.

Representative Bettisworth
November 25, 1983
Page 3

Another factor complicating the analysis is that one cannot simply look at the constitution or statutes of the states to determine what actually occurs. For example, the Minnesota constitution specifies biennial legislative sessions and a biennial budget cycle. In practice, the Minnesota legislature meets annually and only a few appropriations are made for the biennium. In Vermont, an annual or biennial budget cycle is at the discretion of the governor. These complicating factors and the resultant difficulty in classifying certain states accounts for the inconsistent presentation of data in Attachments A, B and D.

I have attached applicable statutes from Florida, Montana, North Dakota and Oregon. According to the Book of the States, these are the four states with a biennial budget cycle that do not make separate appropriations for each year of the biennium.¹ The statutes specify information required by the legislature. Sections 291.322-336 of the Oregon statutes discuss that state's method of amending the budget during the biennium.

* * *

I hope you find this information useful and informative. If you would like additional information on a particular state or particular system of budgeting, please contact the agency.

DT

Attachments A) Biennial and Annual Budgeting (NCSL)
 B) Results of PAR survey on Annual vs. Biennial State
 C) Annual or Biennial Budgets? (CSG)
 D) 1982-83 Book of the States (pages 276-279)
 E) State Statutes
 Florida: Chapter 216, 1982 Supplement
 Montana: Chapter 666, 1983 Session Laws
 North Dakota: Chapter 54-44
 Oregon: Chapter 291.208-385

¹Texas is classified by the NCSL (in Attachment A) as making appropriations for the biennium. Texas statutes on the budget process are lengthy and are not attached to this memorandum.

ATTACHMENT A

BIENNIAL AND ANNUAL BUDGETING

Prepared by Fiscal Affairs Program
NATIONAL CONFERENCE OF STATE LEGISLATURES
1125 17TH Street Suite 1500 Denver, CO 80202
303/292-6600

Since 1969, ten states have changed their budgeting cycle. Hawaii, Vermont and, most recently, Florida, have all changed from annual to biennial budgets. In that same time, Connecticut, Idaho, Illinois, Missouri and Nebraska have all gone from biennial to annual budgets. Indiana experimented with annual operating budgets in fiscal years 1975-76 and 1976-77, but operated with a biennial capital and highway budget. It returned to full biennial budgeting in 1977.

Currently, 29 states have annual budgets and, of course, annual legislative sessions. Another nine states have biennial budgets with biennial sessions, and thus lack any opportunity for annual changes or revisions. (The exception is Oregon, whose joint Ways and Means committees meet during the interim as the Emergency Board, a constitutional board with authority over supplemental appropriations, federal funds, and transfers.) The remaining twelve states have biennial budgets, but meet annually. This last group has some review of the budget annually, but it varies from full reviews to occasional amendments. Only North Carolina, North Dakota, Oregon, Texas, Washington and Wyoming actually make appropriations for the full biennium rather than by fiscal year, and North Carolina, Washington and Wyoming review the budget for possible changes annually.

ANNUAL LEGISLATIVE SESSIONS AND ANNUAL BUDGETS

Alabama	Delaware	Maryland	New Jersey	South Carolina
Alaska	Georgia	Massachusetts	New Mexico	South Dakota
Arizona	Idaho	Michigan	New York	Tennessee ¹
California	Illinois	Mississippi	Oklahoma	Utah
Colorado	Kansas	Missouri	Pennsylvania	West Virginia
Connecticut	Louisiana	Nebraska	Rhode Island	

BIENNIAL LEGISLATIVE SESSIONS AND BIENNIAL BUDGETS

Arkansas	Nevada	North Dakota ³
Kentucky	New Hampshire	Oregon ³
Montana	North Carolina ²	Texas ³

ANNUAL LEGISLATIVE SESSIONS AND BIENNIAL BUDGETS

Florida	Maine	Virginia
Hawaii	Minnesota ¹	Washington ²
Indiana	Ohio	Wisconsin
Iowa	Vermont ¹	Wyoming ²

All state fiscal years begin on July 1 except for Alabama (October 1), Michigan (October 1), New York (April 1) and Texas (September 1).

Footnotes

¹Technically a biennial session, but in practice meets annually.

²Appropriations are made for the biennium, but reviewed annually.

³Appropriations are made for the biennium.

NOTE: Unless otherwise noted, biennial budget states make appropriations for each

ATTACHMENT B

PUBLIC AFFAIRS RESEARCH COUNCIL OF LOUISIANA, INC.



300 Louisiana Avenue • P O Box 3118 • Baton Rouge, Louisiana, 70821 • Phone (504) 343-9204

April 22, 1982

MEMO TO: Respondents of PAR Survey
FROM: Brian Davie, Research Analyst
RE: Results of PAR Survey on Annual vs. Biennial State Budgeting

Research Council of Louisiana, Inc. (PAR) is a nonpartisan, nonprofit organization which conducts research on state and local government issues in Louisiana. PAR surveyed all states (excluding Louisiana) in early 1982 to obtain the most current information available on the experience and views concerning the issue of annual vs. biennial state budgets. This paper is a tabulation of the results of that survey.

Louisiana Policy

Louisiana's state government has annual legislative sessions (limited to 60 legislative days during an 85 calendar day period) and an annual budget. New or increased tax levies are not permitted during regular legislative sessions in odd-numbered years. The state has not changed its annual budget cycle and is not considering a change at this time.

Response Rate from Other 49 States

PAR sent the enclosed questionnaire to state budget officers and legislative chairmen of the budget committees in each house. One followup letter was sent and at least one response was received from all 49 states. The maximum number of responses (3) was received from 23 states (47%), two responses were received from 18 states (37%), and one response was received from 8 states (16%). Budget officers or their representatives responded from 45 states (92%) and legislative chairmen responded from 44 states (90%). The overall response rate was 77%. Following are results of the survey.

Budget Cycles

Table 1 shows the number of states which use the types of legislative sessions and budgets indicated.

TABLE 1. State Legislative Sessions and Budget Cycles^a

<u>Type Legislative Session</u>	<u>Budget Cycle</u>	<u>Number of States</u>
Annual, unlimited	Annual	25 ^b
Annual, unlimited	Biennial	3
Annual, unlimited	Biennial but amended annually	5
Annual, with fiscal session in off-year	Annual	5
Annual, with fiscal session in off-year	Biennial but amended annually	4
Biennial	Biennial	8

^aIncludes Louisiana.

^bOne state has annual sessions and budgets by current practice, although the constitution specifies biennial sessions.

Recent Changes

Most states (36) have not changed their budget cycle since 1970. Of the 13 states that changed, eight went from a biennial to an annual budget cycle while two changed from annual to biennial budgets. The remaining three states changed twice. Two states experimented with annual budgets and reverted back to biennial while one state did the opposite.

Only four states reported they are considering seriously a change between annual and biennial budgets. Three of those states now have annual budgets (two changed recently) and the other state has a biennial budget. A budget officer or legislative chairman in 14 states mentioned some change is being considered but those responses were evenly divided between states with annual or biennial budgets.

Time to Plan & Evaluate

Most respondents from both annual and biennial budget states indicated satisfaction with the time available for planning and evaluating state programs, but many added comments to qualify or explain their response. Among respondents from annual budget states, 80% thought an annual cycle allowed adequate time. From the biennial budget states, 98% of the respondents thought the cycle allowed adequate time. Every state with a biennial budget has some procedure for changing budgeted amounts during the biennium; the methods vary from limited authority of the governor or a special interim committee to annual review and/or special sessions of the legislature.

States That Have Changed

The remaining survey questions concerned only the 13 states that changed their budget cycles since 1970; results were inconclusive. For the states that changed twice since 1970, the primary reason appeared to be political -- depending on which party controlled the legislature or which cycle the governor strongly advocated and enforced.

PAR classified responses on effects of the change (Question #8) according to whether the comments were positive, negative or indicated no difference. Respondents from the eight states that changed to annual budgets were almost equally divided between the positive and negative effects of the change and several stated there was no difference. The positive effects most often cited for changing to annual budgets were increased evaluation, legislative scrutiny and more accurate revenue estimates; however, an almost equal number of respondents cited the same factors as having a negative effect, mainly because of the compressed time schedule for reviewing an annual budget.

Respondents from the two states that changed to biennial budgets cited no negative effects, but two of the six respondents in those states said there was no difference. The positive effects mentioned included opportunities for increased planning, evaluation and legislative scrutiny.

It is difficult, if not impossible, to determine what effect a change in budget cycles has on increased state spending (Question #9) since so many other factors intervene such as inflation and major policy changes in state programs. Most respondents acknowledged this and qualified their response. The change had no effect on the rate of increased state spending according to 55% of the respondents. The remaining responses were equally divided between those who thought the change did increase state spending and those who did not know.

Similarly, respondents were almost evenly divided about whether the change affected the accuracy of revenue estimates and accumulation of surplus funds (Question #10).

Which Type Favored by Respondents?

The final survey question provided an opportunity for respondents to comment in general on the issue of annual vs. biennial budgets. Table 2 shows the results of classifying the comments according to which type budget the respondent appeared to favor; again responses were almost equally divided.

TABLE 2. Preferences of Respondents

<u>Preference</u>	<u>Budget Officers</u>	<u>Legislative Leaders</u>	<u>Total</u>
Favor annual budget	5	5	10
Favor biennial budget	6	5	11
Neutral	2	7	9

Conclusion

The Council of State Governments published a detailed state survey analysis on the issue of annual vs. biennial budgets in 1972. PAR's questionnaire was an attempt to update that survey, but it appears little has changed. While more states changed to annual budgeting during the 1970s than in the 1960s, the arguments used to justify and refute both annual and biennial budgets remain essentially unchanged -- and unproven. The inconclusive and generally split results on controversial survey questions indicate that both budgeting methods and modifications of them may work effectively in different situations. The success of a budget cycle seems to depend on the commitment of state officials to good implementation rather than the method itself.

Thank you for your interest and participation in PAR's questionnaire. If you would like any further information on the results, please do not hesitate to call or write.

ATTACHMENT C

Annual

of

Biennial

Budgets ?

The Council of State Governments

ANNUAL OR BIENNIAL BUDGETS?

August 1972
RM-491
Price: \$2.00

The Council of State Governments
Iron Works Pike
Lexington, Kentucky 40505

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FOREWORD

Recent changes in budget procedures in some States have brought renewed attention to the question of whether the process should be an annual or biennial one. The Research Committee of the National Association of State Budget Officers, therefore requested the Council of State Governments to ascertain the reaction of state officials to these changes.

The survey was conducted by means of a questionnaire to ten key executive and legislative officials in each of eleven States. The Council is most grateful to the responding officials for their cooperation and assistance. The report was prepared by Paul Hibberd, Research Associate, under the direction of George A. Bell, Director of Research.

Brevard Carihfield
Executive Director
The Council of State
Governments
Iron Works Pike
Lexington, Kentucky 40505

Introduction

The increasing complexity and mounting problems of state government have triggered many changes in state operations, among these being the shift of legislative sessions to an annual basis rather than biennial. There are now (1972) 33 annual session states plus 3 more whose unlimited biennial sessions extend into the second year, compared with 13 States ten years ago, 10 States twenty years ago, and only 4 States in the early 1940's.

One reason advanced in support of annual sessions has been that state financial and budgetary policies must be reviewed more often than once every two years. This was a predominant factor leading toward annual sessions, as shown by the fact that 9 of the 13 States having annual sessions in 1962 restricted one session every two years primarily to fiscal matters. However, there has been a reversal in this trend, and now a much lower proportion of States - 5 of 33 annual session States, place such limits on sessions.

The felt need for making fiscal decisions annually is still strongly apparent, since most States which have adopted annual sessions have also shifted to annual budgets. However, a few States with annual sessions have not shifted to annual budgets. A further surprising development in view of the trend was the action of Hawaii, which in 1971 shifted to a biennial budget while retaining annual sessions, after having had annual budgets throughout its statehood.

The Hawaii move is one event that has triggered interest among state officials everywhere concerning the advantages and disadvantages of annual versus biennial budgeting, leading to this survey of States which have

made recent shifts. The following questions were asked:

1. What effect has changing from a biennial to an annual budget in your State had on the following:
 - (a) Workload of the budget agency:
 1. Has there been a change in the duties or type of work performed by budget staff?
 2. Has there been a commensurate change in size of budget staff?
 - (b) Workload of other executive agencies (operating agencies; Governor's Office, etc.)
 - (c) Workload of the legislative staff:
 1. Has there been a change in the duties or type of work performed by legislative staff?
 2. Has there been a commensurate change in size of legislative staff?
 - (d) Ability or willingness to undertake planning beyond the budget period:
 - (e) Accuracy of revenue estimates:
 - (f) Ability to meet matching requirements for federal grants in aid:
 - (g) Ability to fully finance programs to carry out the program level the appropriation was designed to meet?
 - (h) On the rate of annual increase in state expenditures
2. When you were on a biennial budget, what procedures (such as use of transfers, emergency appropriation, allotment adjustments, etc.) existed for taking care of changing financial requirements for programs or agencies?
3. What are you able to do under annual budgeting in providing for year to year changes that you could not do under biennial budgets?
4. If the opportunity arose to switch back to biennial budgets, would you favor doing so? Please state reasons.
5. If the switch to biennial budgeting were to be made, what recommendations would you make to assure that legislative and executive controls over program plans and expenditure are not weakened?

The survey covers most States which have recently switched from biennial to annual budgets and have had at least one full biennium under the annual budget system - Florida, Idaho, Illinois, Missouri, Oklahoma, Tennessee, Utah and Vermont. Other States moving to annual budgets such as Connecticut, Nebraska ~~and~~ had not experienced the annual cycle at the time the questionnaire was mailed (fall, 1971.)

Iowa and Georgia have instituted annual legislative sessions while retaining a type of biennial budget and were also surveyed. Indiana's similar shift has occurred too recently for coverage. Hawaii was surveyed

for its shift from annual to biennial budgets. Wisconsin was subsequently added; that State now has annual sessions, and in 1972 completed its first formal off-year budget review process in lieu of an annual budget.

In each of the eight States surveyed which switched from a biennial to an annual budget (above), a questionnaire was sent to ten officials - the Governor, President of the Senate, Speaker of the House, administration/finance officials, budget officers, legislative research directors, legislative fiscal review officers, planning officials, and the chairmen of the appropriations committees. There was, therefore, a possibility for 80 responses. The number of actual responses received was 35, with at least two from each State: two from Tennessee, two from Utah, five from Illinois, six from Idaho, three from Florida, five from Missouri, six from Vermont, and six from Oklahoma. In terms of responding officials the breakdown of answers was: Governors, one; Presidents of Senates, four; Speakers of Houses, four; legislative fiscal review officials, four; chairmen of appropriations committees, six; planning officials, six; administration/finance officials, one; budget officers, six; legislative research directors, three. For purposes of narrating the reported opinions the sole responding administration/finance official was included among the budget officers, and the responses of the Presidents of the Senate and the Speakers of the House were combined and treated as the opinions of legislative leaders.

The questionnaire was also sent to the identical officials in Georgia and Iowa, which changed to annual legislative sessions while retaining biennial budget approaches. These officials were requested to provide their opinions on advantages and disadvantages of not switching to an annual budget cycle.

Finally, the questionnaire was also sent to the same officials in Hawaii, which switched from annual to biennial budgeting. These officials were requested to provide their comments and opinions on the effects of the reverse change from an annual to a biennial cycle. Limiting the usefulness of the original Hawaii responses, according to several officials of the State, was the fact that a full biennium had not yet passed under the new procedure. A followup request to the Hawaiian respondents was sent in June, 1972 to seek further reactions after experience with the new approach during the 1972 session.

In view of the delay in analyzing the responses, the questionnaire was also sent to Wisconsin officials in June, 1972 to ascertain reactions to the budget review process first used in the 1972 session.

Opinions in States Recently Switching to Annual Budgets

The responses of officials in the States which have recently changed from biennial to annual budgets are analyzed in this section. The responses are organized in accordance with the questions asked.

Effect on Workload and Size of the Budget Staff

Budget officers should be in the best position to know whether there has been a change in staff size. According to the seven budget officials who responded, the budget staff was increased in size in three States and remained the same in four. The perception of other officials did not always fit these facts, for in four of the seven States one or more other officials thought the staff had increased when the budget official said it had not (two States) or thought it has not increased when the budget

chief said it had (two States). (See table 1 for summary tabulation).

1. Effect on the size of the Budget Agency:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor			1			1
President Senate/Speaker House	1		6		1	8
Legislative Fiscal Review	1		3			4
Chairmen Appropriations Committees	3		2		1	6
Planners	1		1	4		6
Budget Department	3		4			7
Legislative Research	2			1		3
	11		17	5	2	35

In at least one State reporting an increase in staff size, this change was due only in part to annual sessions. Annual sessions were begun at the same time that a major change in budget procedures occurred, including establishment of an analytical staff in the Governor's office and development of program analysis procedures.

With the above indications of a different opinion concerning a factual situation, a difference of opinion is to be expected on the less factual questions which follow.

Legislative leaders expressed doubt whether the workload of the budget agency had increased significantly and whether additional staff was necessary. However, chairmen of the various appropriations committees believed that there was a significant increase in the duties of the budget agency, but not to the point that staff members need be added. One suggestion was that the "off-year" was often not very productive and that the solution to the increased workload was a more concentrated effort each

year. In addition to the above positions, several legislative officials contended that there were insufficient funds to employ additional budget staff members.

Although several executive officials expressed the opinion that there was no change in the duties of the budget agencies, a few budget administrators expounded the adverse effects of the change. Their primary contention was that the switch to an annual budget had left little time to perform various studies for the improvement of organization and operations. For example, one budget director remarked, "the increased workload in terms of budget preparation has left less time to explore substantive issues, and has necessitated restrictions on all other activities." When commenting upon the increased workload of his agency and the inability to add new staff members, another budget official remarked, "instead of additions to staff, such activities as analysis, studies, management services, etc., have been drastically reduced if not altogether eliminated."

2. Effect on the workload of the Budget Agency:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor			1			1
President Senate/Speaker House	3		4		1	8
Legislative Fiscal Review	1		2	1		4
Chairmen Appropriations Committees	4		1		1	6
Planners	1		1	4		6
Budget Department	4		3			7
Legislative Research	3					3
	16		12	5	2	35

Effect on the Workload of other Executive Agencies

An overwhelming majority of officials responding were of the opinion that the change to an annual budget significantly increased the workload of other executive agencies. In a few instances it was noted that budget operations in all the executive agencies were operating throughout most of the year. One budget official reported that with demands on the individual agencies for program information that was not previously requested, "budgeting has become a full time activity and the days when part time budgeting was possible are gone."

Recognition of this increased workload was not limited to executive officials. Three out of every four legislative officials reported an increased burden on the executive agencies in submitting a budget for their programs annually. One legislative council director remarked that, "probably the most significant aspect of the change (to an annual budget) is an awareness that budgeting is a continuous process the year round, and not just something that takes place at session time."

3. Effect on the workload of other Executive Agencies:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor			1			1
President Senate/Speaker House	5		2		1	8
Legislative Fiscal Review	2		1			4
Chairmen Appropriations Committees	5		1			6
Planners	1		2	3		6
Budget Department	6		1			7
Legislative Research	3					3
	22		8	4	1	35

Effect on the Workload and Size of the Legislative Staff

The majority of legislative officials felt that the change to an annual budget had no significant effect upon the size or workload of legislative budget staffs already in operation. In two States the statement of the legislative fiscal staff director, who should know, concerning increase in staff was not unanimously supported in the opinions of others. In some States the legislative budget staffs were virtually non-existent under a biennial budget. For example, Vermont had no legislative budget staff until 1970, when an analyst was hired to serve the appropriations committees. Other States in which legislative budget analysis agencies were created at the time of the change to an annual budget cycle attributed those creations directly to other sources, naming the budget change as only an indirect cause.

Most executive officials asserted that they were in no position to express an opinion on the effect of the change to an annual budget upon legislative staffs. Among those who did express an opinion, two out of every three felt that the change had no significant effect upon the size or workload of the staffs.

4. Effect on the Size of the Legislative Staff:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor			1			1
President Senate/Speaker House	3		4		1	8
Legislative Fiscal Review	1		3			4
Chairmen Appropriations Committees	2		3	1		6
Planners			6			6
Budget Department	2		3	2		7
Legislative Research	2		1			3
	10		21	3	1	35

Effect on Ability or Willingness to Undertake Planning beyond the Budget Period

The opinions expressed on this issue were widely varied among both legislative and executive officials. Two out of every three budget officials took the position that an annual budget cycle had an adverse effect upon the willingness to undertake planning beyond the budget period. Other respondents noted that agencies and departments were reluctant to engage in advance planning to begin with, but that the switch to an annual budget left less incentive to plan beyond the budget period. Some legislative leaders said that legislative desire for long range planning was not shared by executive agencies. One executive official, explaining the slowness of agencies to plan ahead, noted that program planning is an activity "which must be fostered by the Chief Executive as a basic management tool for a reasonable length of time before agencies are even interested in performing the activity."

5. Effect on the workload of the Legislative Staff:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor			1			1
President Senate/Speaker House	3		4		1	8
Legislative Fiscal Review	1		3			4
Chairman Appropriations Committees	3		2	1		6
Planners				6		6
Budget Department	2		3	2		7
Legislative Research	1		2			3
	10		15	9	1	35

A few officials expressed the opinion that longer range planning was one advantage of annual budgeting, but failed to explain the reasoning behind this statement. Some other officials noted that longer range planning was being instituted under planning programming budgeting systems (PPBS) independently of the effect of annual versus biennial cycles.

Also, in two States the answers revealed differences of opinion among officials. For instance, in one State the Speaker, the legislative fiscal officer and the planning official felt that there was an increase in willingness to undertake planning beyond the budget period, while the budget officer thought there was a decrease in that willingness and both the President of the Senate and a committee chairman reported no change, attributing any difference to a recent emphasis on program planning.

6. Effect on the ability or willingness to undertake planning beyond the budget period:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor		1				1
President Senate/Speaker House	2	1	3	1	1	8
Legislative Fiscal Review	2		2			4
Chairmen Appropriations Committees	2	1	3			6
Planners	2		1	3		6
Budget Department	3	4				7
Legislative Research	1		1	1		3
	12	7	10	5	1	35

Effect on Accuracy of Revenue Estimates

A majority of the officials felt that a change to an annual budget cycle should, or did, increase the accuracy of revenue estimates. This opinion was held by 16 reporting officials, compared to 4 who thought that accuracy decreased and 10 who felt that there was no change.

Accuracy was presumed to increase because of increased frequency of compiling estimates, and the shorter time interval between making the estimate and realizing the revenue.

7. Effect on the accuracy of Revenue Estimates:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor		1				1
President Senate/Speaker House	5	1	1		1	8
Legislative Fiscal Review	1	1	2			4
Chairmen Appropriations Committees	6					6
Planners			3	3		6
Budget Department	3	1	2	1		7
Legislative Research	1		2			3
	16	4	10	4	1	35

Effect on Ability to meet Matching Requirements for Federal Grants in Aid

A majority of the state officials took the position that the change to an annual budget increased the ability to meet matching requirements for federal grants in aid. The chief reason for this opinion was the time factor, especially when the federal government is often tardy in appropriating and allocating grants. An annual budget is thought to allow considerably more flexibility if the federal government should significantly alter the amount of money available. One budget director noted that the construction of an annual budget helps avoid the possibility of a special session of the legislature which, when called for fiscal matters, often generates "political stress."

8. Effect on the ability to meet matching requirements for federal grants in aid:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor		1				1
President Senate/Speaker House	5	1	1		1	8
Legislative Fiscal Review	4					4
Chairmen Appropriations Committees	3		3			6
Planners			3	3		6
Budget Department	5	1	1			7
Legislative Research	1				2	3
	18	3	8	3	3	35

Effect on Ability to Fully Finance Programs to Carry Out the Program Level the Appropriation was Designed to Meet

The majority opinion was that the ability to fully finance programs had been increased by the change to an annual budget. An annual budget, as stated before, appears to be more accurate in predicting revenues. The increased accuracy of estimates increased the ability to fully finance programs, thereby carrying out the program level the appropriations were designed to meet.

Some officials felt that the ability to fully finance programs was not necessarily related to annual or biennial budgets. Their position, as one budget director noted, was that the ability to fully finance programs "speaks to the quality of program projection and revenue estimating and not necessarily for the period during which these events occur."

Some officials recognized the disadvantage of predicting program finance and revenue two years in advance, as opposed to one, but felt that biennial budgeting had other overriding advantages. They suggested

that any problems encountered in fully financing programs during the second year of the biennium could be mitigated by annual sessions where emergency appropriations, transfers, etc., could be enacted.

9. Effect on the ability to fully finance programs to carry out the program level the appropriation was designed to meet:

	Increase	Decrease	Change	No Opinion	No Answer	Total
Governor	1					1
President Senate/Speaker House	5	1	1		1	8
Legislative Fiscal Review	3		1			4
Chairmen Appropriations Committees	3		2	1		6
Planners	2		1	3		6
Budget Department	4		2	1		7
Legislative Research	1		1	1		3
	19	1	8	6	1	35

Effect on the Rate of Annual Increase in State Expenditures

There is no evident consensus on what effect, if any, the change to an annual budget might have had on the rate of annual increase in expenditures: 16 thought it would result in greater increases than biennial budgets while 12 indicated there would be no change.

One budget director who believed increases would result observed, "biennial budgeting tends to lock the second year in close proximity to the level of the first fiscal year. Annual budgeting permits the entire lobby and pressure effort of the various special interests to come into play." Some indicated that as inflation, program alterations, salary adjustments, etc., are considered annually, the rate of increase must necessarily be greater. One budget director introduced a formula: "the rate of annual increase in state expenditures is inversely proportional to the length of the budgetary period."

Those officials who took the position that the change to an annual budget had no effect on the rate of annual increase in expenditures felt that the rate of increase is dependent upon revenue. They noted that if revenue should increase beyond expectations in the second year of the biennium, alterations in appropriations could be made at that session of the legislature. These increases in appropriations would essentially be equal with any changes that might have been made if there were a new budget in the process of formulation under an annual cycle.

10. Effect on the rate of annual increase in state expenditures:

	Increase	Decrease	No Change	No Opinion	No Answer	Total
Governor	1					1
President Senate/Speaker House	4		3		1	8
Legislative Fiscal Review	3		1			4
Chairmen Appropriations Committees	2		3	1		6
Planners			3	3		6
Budget Department	4		2	1		7
Legislative Research	1			2		3
	15		12	7	1	35

Procedures under Biennial Budgets for Fiscal Adjustments

Operations under biennial budgets had not prevented most States from changing their fiscal plans where necessary. In some cases this was done through legislative action in special session or otherwise, such as emergency, deficiency or supplemental appropriations.

An additional method which was often mentioned as a means of combating unforeseen conditions was the transfer of appropriations from one agency, unit or program to another. Five States reported the utilization

of intra-agency transfer, with three of them additionally inter-agency transfers.

Finally, three States noted the existence of an emergency board which had the power to appropriate from a special account in cases when the legislature was not accessible.

A Switch back from Annual to Biennial Budgets?

Among those States which changed to an annual budget, 75 percent of the legislative officials and 70 percent of the executive officials, (but only 50 percent of the budget officers are included in this majority) were satisfied with the new system, while the remainder in each group favored a return to the biennial budget.

Some of the following reasons were cited by legislative officers for remaining with the new system:

- (1) fewer emergency appropriations;
- (2) "annual budgets tend to strengthen the legislator's role in setting the policy of the state."

Two other reasons, cited by some executive officials, are:

- (1) annual budgeting permits the Governor a more frequent review of agency programs and requires state agencies to develop tighter administrative controls over the spending of public funds,
- (2) "in biennial budgeting immediate correction of the State's budget is not possible, and waiting until the legislature meets 'next time' is the only alternative. When corrections are eventually made the legislature in its alarm may accuse the Governor of mismanagement and the Governor in turn accuse the legislature of irresponsibility."

One legislative official who favored returning to a biennial budget system noted that with annual budgeting there was a tendency to focus legislative attention on the details, which should be the concern of the executive.

Among the executive officials who were dissatisfied with the annual budget cycle some of the reasons cited were the following:

- (1) an annual budget system results in a narrow viewpoint, short time spans for accomplishment, and a vast increase in staff work;
- (2) a biennial budget provides more time for program planning activities;
- (3) "with annual budgets, the top talent of the executive branch is tied up preparing, defending and implementing budgets. This creates a continuous and overlapping cycle which requires preparations for next year's budget to start before information on the operation of the current year's budget can be collected and evaluated."

Expenditure Controls under Biennial Budgets

Since a switch to biennial budgeting would allow the various state agencies to operate for two years without their programs being subjected to fiscal change, respondents were asked what measures should be introduced to assure that legislative and executive controls were not weakened.

Among those suggested by legislative officials were these:

- (1) a strong post-audit division for the evaluation of programs,
- (2) the existence of an interim committee or emergency board to act upon requests to cover deficiencies or emergencies.

Executive officials, especially budget officials, made other suggestions for assuring control, including the following:

- (1) legislative willingness to attend special sessions if a significant imbalance in the budget should arise,
- (2) a requirement that each fiscal year in the biennium should stand alone, and no appropriations be carried forward from one year to the next,
- (3) "greater emphasis be placed upon program evaluation and review in terms of definition or objectives, method of operation and intended results,"

- (4) rather than becoming concerned with details, the legislative fiscal staff "should develop information for policy decisions and directions so that the legislators can decide what services the State should render and determine whether the service is worth the dollars that are required....the legislative branch should give the necessary attention to establishing the goals and policies that will set the directions and shape the future of the government."

Annual Session States with Biennial Budgets

Officials from both Iowa and Georgia pointed out that neither State operates on a strict biennial budget. Rather, the systems in those States might be described as 'modified annual' or 'modified biennial' budgets.

The Georgia constitution provides that a General Appropriations Act shall be passed the first year of the legislative term to cover the next two fiscal years. Any excess funds not expended during the first fiscal year shall lapse and revert to the fund from which they were appropriated. In practice, however, the money provided for the second year of the biennium by the appropriations act is merely a 'dummy appropriation' since it duplicates the first year. At the legislative session in the second year of the term amendments are made to the General Appropriations Act to authorize realistic appropriations for the second fiscal year. Since the executive departments are nevertheless required to present their requests on a two-year basis and the Governor must make his recommendations on a two-year basis, the General Assembly has access to the information to make a reasonable prediction of what funds will be necessary in the second fiscal year.

Prior to 1971, Iowa operated on almost a strictly biennial budget. During those years appropriation bills were drawn which authorized an

identical amount for each year of the biennium. Any departmental appropriations which were not expended during the first fiscal year of the biennium could be carried over and expended during the second fiscal year.

In 1971 a new procedure was put into effect through adoption of a law providing that if the appropriated funds of an agency were not expended during the first fiscal year, the balance would 'revert to the state treasury and to the credit of the fund from which appropriated.' If an agency felt that the funds which would normally have reverted to the state treasury were essential to that agency, an application could be made to the appropriations committees for a hearing.

One legislative official expressed the opinion that the most significant factor in preventing Iowa from changing to an annual budget was the added burden of repeating the entire budget process each year. Although several bills had been introduced in the State which would provide for an annual budget, this time factor seems to have been the foremost cause of defeat.

Questionnaire responses from the two States totalled six, but only three were susceptible to tabulation for any one question. Thus, the following discussion is based on limited responses.

Among both Georgia and Iowa officials there were differing opinions whether a change to an annual budget cycle would have any effect on the workload or size of executive budget agencies. One budget officer noted that the only alteration might be less emphasis on analysis work and more on projection. It was suggested that the workload of other executive agencies would increase as budget preparation became a 'full-time' project.

Additionally, officials from both these States expressed the opinion that the workload of legislative fiscal staffs would be affected by a change to an annual budget. They felt that such a change would require greater detail, greater analysis of budget requests, and overall greater control being exercised by the general assembly. There was a difference of opinion, however, concerning whether the altered workload would necessitate a larger staff.

Regarding the State's willingness to undertake planning beyond the budget period when operating on an annual cycle, Georgia and Iowa respondents indicated that the proclivity to look beyond one year would either be reduced or unaffected. While they felt that annual budgets would lead to more accuracy of revenue estimates, they indicated that inaccuracies resulting from biennial budgets could be remedied in the annual legislative sessions. Georgia and Iowa officials contended that the rate of increase in budgets is more controllable in a biennial cycle. The primary argument in Iowa was that the pressure for increase is reduced during the second session when additional appropriations will be made only in the case of emergencies or unforeseeable changes. One Iowa official summarized as follows: "It seems to us that really we have the 'best of both worlds' 1) less time consumed in preparation/hearings, yet 2) the ability to review and make changes in the second session."

The Switch from Annual to Biennial Budgets - Hawaii

Hawaii abandoned an annual system in favor of a biennial one, effective July 1, 1971. Since this change was so recent, few definite results or effects were available for analysis at the time the questionnaire was sent out. In addition to the change to biennial budgeting, "Hawaii

was in the process of implementing a planning-programming-budget system. The combination of these changes resulted in a change of focus from more detailed management control to an emphasis on planning and analysis. This new approach was intended to allow the state legislature to devote more attention during the second year of the biennium to an examination of the progress and effectiveness of various programs. In fact, under the new budget act annual reports to the legislature are required "reflecting the deviations of actual from planned levels of program effectiveness, program size, and program expenditures."

As far as could be determined, the change to a biennial budget had alleviated the burden of the executive budget staff and freed the staff members for more analytical assignment on the PPBS implementation project. In addition, it was predicted that the budget workload of other executive agencies and the legislative fiscal staff would be reduced substantially.

Although Hawaiian officials admitted that revenue estimates for the biennium period would probably be less accurate than on an annual cycle, they apparently felt that the difference would not cause significant problems. The officials also recognized that additional problems could arise in projecting matching requirements for federal grants and aid, but were hopeful that the legislature would be amenable to supplemental budget requests for this purpose during the second year of the biennium. Some hoped also that the rate of annual increase in state expenditures would be less under the biennial system.

Responses to the followup request reiterated the difficulty involved in determining the effect of the switch to biennial budgeting, because that switch was made coincidentally with a change to a planning-programming

budget. One official, commenting on the budget agency workload, pointed out that a change to a biennial budget might have substantially increased the time spent in budget preparation, yet the amount of time allotted to this function actually increased due to the demands of the planning-programming budget.

One legislator noted that the change afforded committees the opportunity to scrutinize more closely various program accomplishments and problems, "the point being that there was 'extra' time to review programmatic matters and accomplishments because the committee was not straddled with the urgency or necessity of passing an annual budget."

A legislator also noted that the 1971-73 budget could have been legislatively reduced to realign expenditures with anticipated revenues. However, he added that such action deserves careful scrutiny when the effect would impose a restrictive ceiling for expenditures while the possibility of an upturn in revenues remains.

Despite the fact that the second legislative session under Hawaii's biennial budget is now history, the general feeling is that the State has not as yet experienced the full impact of the switch from an annual to a biennial budget.

Annual Budget Review - Wisconsin

Responses concerning the Wisconsin annual review process for the second year of the biennium were received from six officials — two executive, three legislators and one legislative staff. According to a 1971 joint resolution the Governor was to submit to the Legislature by January 18, 1972 any budget changes he deemed desirable for the second year of the biennium. An executive respondent estimated that the amount of work this

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entailed for the central budget office was approximately one-third of that associated with full budget preparation. This additional work was absorbed by existing staff, at the expense of fewer daily agency contacts and policy development and management improvement work. On the legislative side, one respondent hailed the process as allowing legislative review of selected programs without waiting for a full budget cycle to elapse. The budget change also altered the duties of administrative agencies which respond only to specific questions raised by the budget staff rather than being required to submit new budgets.

In discussing any change in ability to meet matching requirements for federal grants in aid, one respondent noted that most agencies more than adequately budgeted to cover any such requirements. However, he cited one instance where the annual review remedied a situation of under-estimation and was subsequently the cause of critical comment from some legislators because the review allowed agencies to be "bailed out" of their errors. The respondent also predicted that the annual review process would accelerate the rate of increase in state expenditures. This position was contradicted, however, by another respondent, who reported that the rate of increase was substantially lower in 1971-73 than in the previous three biennia.

Five of the six responding Wisconsin officials expressed satisfaction with the annual review process, because it possessed the advantages of both the annual and biennial budget. The only dissatisfied official expressed the fear that the second year budget bill would consistently become "a grab-bag for everyone's pet project with considerable logrolling."

One factor preventing a full trial of the annual review process was that the 1972 budget was not adopted until November 1971, over five months

after the beginning of the fiscal year. Thus there was little time under the first year's budget before recommendations had to be made on the second. Partly for this reason most respondents felt that it is too soon for a full evaluation of the annual review process.

Conclusion: Which way to go?

It is not surprising that most respondents from States which have shifted from biennial to annual budgets support the change. This support among most categories of officials is strong, ranging from 75 percent for legislators to 100 percent for executive officials outside of the budget office. Only budget officers made a contest of the issue - three favored retention of annual budgets and three favored returning to biennial budgets. In no case were all respondents from a State unanimous in favoring a return to biennial budgeting.

The difference in point of view can occur because of differences in conception of the budget process and differences in experience undergone by each participant in the budget process in each State. In reality, a State can develop a good system of executive and legislative fiscal and program planning and controls under either an annual or biennial budget. The system would work differently with the alternate time-spans, but could be effective under either approach.

To illustrate the contention just stated, let us examine the major selling points of both annual and biennial budgets.

Annual budgets permit more frequent and probably more accurate estimating of revenues and financial requirements of state programs. Corrections on both the expenditure and revenue sides of the balance sheet can more readily be made. Adjustments because of sudden availability or loss of Federal funds can be made sooner.

Annual budgeting assures that action will be taken which reflects the above occurrences. Yet action can be taken under biennial budgeting too, if the Legislature meets annually. The Wisconsin budget review process was established for this purpose, and there appears to be nothing in the Wisconsin procedure that could not be adapted to the needs of any other State.

A fundamental reason why most responding legislators favor annual budgeting is that legislative control over spending is more easily attained; the Legislature can more frequently review the spending programs it previously authorized and ascertain whether legislative intent is being carried out.

This review is a basic function of the legislature, and any system should contain built-in procedures to accomplish it. It can be done with biennial budgets as well as annual. Of course, certain conditions must be met. If the legislature meets annually, if the legislature and its committees are continuing bodies throughout the biennium, if legislators are adequately paid and staffed so that they can devote time to the task and make productive use of their time, then the task of review can be carried out effectively, and corrective actions can be taken.

Now let us look at reasons in support of biennial budgeting. Biennial budgets force a longer range planning than annual budgets simply because appropriations must be made for a longer time span; they provide more time for long range planning; and they save the time of agencies, Governor, budget staff, legislature and legislative staff in compiling, presenting, explaining and defending the myriad details that go into the making of a budget. This would allow more time for program review and evaluation.

But these activities are not excluded under annual budgeting. Most budget procedures as established by budget offices require submission and analysis of much detail, but a number of States have been struggling with ways to reduce this burden. Many details, such as replacement of equipment, are better handled through concentration on good management as part of budget execution rather than as items to be spelled out in budgets. Detailed budget items imply a specific knowledge of needs that cannot be that accurately estimated months in advance of expenditure. Concentration on management analysis and program evaluation would be more productive in the long run, and can be fitted in with annual budgets as well as biennial.

Nor, simply because appropriations must be made annually, must legislatures necessarily examine the fine print in every budget every year. Legislatures can find time for program evaluation if they adjust their procedures accordingly, such as concentrating on major issues and unusual changes along with a periodic careful review of all other programs. This is a variation of a suggestion made by one respondent that major programs such as education and welfare be budgeted annually, while lesser and more routine ones such as civil defense and licensing boards be budgeted biennially.

Good decision-making encompasses, among other things, defining state program needs, determining the most effective method of accomplishing the program, providing the resources to get the job done, and evaluating the operation of the program to see whether its aims were accomplished. The budget process is but one aspect, although a most crucial one, of this larger process.

Both executive and legislative officials in many States are seeking ways to accomplish this decision-making task more effectively. The job can be done with either an annual or biennial budget. Whichever way a State goes depends on its existing system of budget decision-making and a realistic assessment of what can be done soon to fashion the budget process to better serve its purpose. If institutions such as the budget cycle get in the way, then a decision must be made on whether to change the institution, find a way around it, or adjust it to better accomplish the job to be done.

ATTACHMENT D

Table 1
STATE BUDGETARY PRACTICES

<i>State or other jurisdiction</i>	<i>Budget-making authority</i>	<i>Official or agency preparing budget</i>	<i>Date estimates must be submitted by dept. or agencies</i>	<i>Date submitted to legislature</i>	<i>Power of legislature to change budget*</i>	<i>Power of item veto by governor</i>	<i>Fiscal year begins</i>	<i>Frequency of budget</i>
Alabama	Governor	Div. of the Budget, Dept. of Finance	Oct. 15 for Jan. session; Nov. 15 for Feb. session	By the 5th day regular business session	Unlimited	Yes	Oct. 1	Annual
Alaska	Governor	Div. of Budget & Management, Office of the Governor	Oct. 1	3rd legislative day of session	Unlimited	Yes	July 1	Annual
Arizona	Governor	Finance Div., Dept. of Administration	Sept. 1 each year	By the 5th day of regular session	Unlimited	Yes	July 1	Annual
Arkansas	Governor	Office of Budget, Dept. of Finance & Administration	Sept. 1 in even years	Date of convening session	Unlimited	Yes	July 1	Biennial, odd yr. (a)
California	Governor	Dept. of Finance	Specific date for each agency set by Dept. of Finance	Jan 10	Unlimited	Yes	July 1	Annual
Colorado	Governor	Executive Director, Office of State Planning & Budgeting	Aug. 1-15	Dept. budgets submitted Nov. 1; governor's full recommendation submitted within first 10 days of legislative session	Unlimited	Yes	July 1	Annual
Connecticut	Governor	D.v. of Budget & Financial Management, Office of Policy & Management	Sept. 1	1st session day after third of Feb. in odd years, except if change in governor; then 1st session day after Feb. 14. In even years, on the Wed. following the 1st Mon. in Feb.	Unlimited	Yes	July 1	Annual
Delaware	Governor	Office of Budget Director, Office of the Governor	Sept. 15; schools, Oct. 15	By Feb. 1	Unlimited	Yes	July 1	Annual
Florida	Governor	Office of Planning & Budget, Office of the Governor	Nov. 1 each year	45 days prior to regular	Unlimited	Yes	July 1	Biennial
Georgia	Governor	Office of Planning & Budget	Sept. 1	By 5th day of session or sooner	Unlimited	Yes	July 1	Annual
Hawaii	Governor(b)	Budget, Planning & Management Div., Dept. of Budget & Finance	Aug. 31	20 days prior to convening of session on 3rd Wed. in Jan.	Unlimited	Yes	July 1	Biennial, odd yr. (a,c)
Idaho	Governor	Office of the Governor	Sept. 1 before Jan. session	Not later than 5th day of session	Unlimited	Yes	July 1	Annual
Illinois	Governor	Bureau of the Budget, Office of the Governor	Specific date for each agency set by Bureau of the Budget	First Wed. in March	Unlimited	Yes	July 1	Annual
Indiana	Governor	Budget Agency(d)	Sept. 1 in even years, flexible policy	Within the 1st two weeks after the session convenes(e)	Unlimited	No	July 1	Biennial, odd yr. (a)
Iowa	Governor	Comptroller	Sept. 1	Feb. 1 or before	Unlimited	Yes	July 1	Biennial, odd yr. (a)
Kansas	Governor	Div. of the Budget, Dept. of Administration	Not later than Oct. 1	Within 3 weeks after convening of session in odd years and within 2 days after convening of session in even years	Unlimited	Yes	July 1	Annual
Kentucky	Governor	Office for Policy & Management, Dept. of Finance	Specific date set by administrative action but may not be	As governor desires	Unlimited	Yes	July 1	Biennial, even yr. (a)