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Report raps state for poor planning by government

By BOB ANEZ
Associated Press

HELENA — Montana state government lives on the edge, doing a poor job of planning in the management of its money, employees, building maintenance and information systems, a new study has found.

The state's public employee pension systems are in trouble and government has no plan for coping with its aging work force, according to the Government Performance Project report released Monday. Also, the backlog of public building maintenance tops \$180 million and Montana lacks any statewide strategic information plan, the management study found.

State officials had little argument with the findings, although they did point out that several proposals already before the 2005 Legislature tackle some of the problems cited in the report.

The state's handling of wildfires is a prime example of its failure to take a long-term approach to solving the problems government faces, the report said. Lawmakers neither set aside money for financing disastrous fire seasons nor adopt a strategy to more effectively small fires from becoming costly blazes, the authors said.

"Up to now, the Legislature has ignored both options, preferring to rely on a process that could jokingly be referred to as management by prayer," the study said. "But it's no joke.

"That's the way Montana handles a lot of its important decisions. It tries to deal with today and hopes for the best tomorrow."

Overall, the report gave Montana a C+ score. Only five states — Alabama, California, Hawaii, New Hampshire and Wyoming — received lower grades. No state failed and just two — Utah and Virginia — got A's.

The study at the University of Richmond involved in a year of research by academics drawn from around the country and journalists at Governing magazine. It was funded by The Pew Charitable Trusts, an independent, nonpartisan group.

Montana received a C+ in finances and personnel, a B- for its infrastructure, and a C for information systems.

When it comes to money, the state lacks a "long-term vision" and that could mean serious trouble in the event of a budget crisis, the report said.

The report said Montana's retirement systems for public employees have large potential deficits, but it was complete before proposals surfaced in the Legislature to spend money to start fixing the problem.

With no rainy-day fund for emergencies, "it is unclear how the state will manage should a fiscal crisis or natural disaster be just around the corner," it said.

David Ewer, budget director for Gov. Brian Schweitzer, said the administration has addressed that issue by asking the Legislature to increase the governor's emergency spending authority from \$16 million to \$25 million. The proposed budget also would leave an \$80 million surplus just in case, he added.

"That's an important cushion and a necessary cushion to provide for many contingencies — falling interest rates, unexpected program expansion, an unexpected higher number of prisoners," he said.

Despite the study's concerns about state financial matters, Montana has a solid reputation, Ewer said.

"Montana has always paid its bills and paid its bills on time," he said.

The study said the state lacks a comprehensive plan to deal with a government work force in which two out of three employees will be eligible to retire in the next five years, the report found. While Montana has a good employee

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recruitment and selection process, it spends just \$61 per worker on training.

Randy Morris, head of the State Personnel Division, said the lack of work force training and planning is largely a result of tight budgets.

"The first thing that is squeezed when it comes to dollars is training and development," he said. "That's not unusual to the state of Montana, government itself or the private sector."

The report applauded the state's six-year plan for building construction projects, but criticized the state for its long list of deferred maintenance and not spending enough to remedy that problem.

Tom O'Connell, administrator of the state Architecture and Engineering Division, acknowledged funding has been scarce for maintenance on the 4,100 state-owned buildings valued at \$1.7 billion. But he said that should change with a request for the Legislature spend \$35 million over the next two years, more than 10 times the level provided in 2003.

"This is a huge step in a positive direction," he said.

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