

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



ANGELA McLEAN
LT. GOVERNOR

April 30, 2015

The Honorable Linda McCulloch
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary McCulloch:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 381 (HB 381), "AN ACT REQUIRING DESIGNATED STATE AGENCIES TO SUBMIT REPORTS TO THE OFFICE OF BUDGET AND PROGRAM PLANNING ON INFORMATION RELATED TO THEIR RECEIPT AND USE OF FEDERAL FUNDS; REQUIRING DESIGNATED STATE AGENCIES TO SUBMIT REPORTS TO THE OFFICE OF BUDGET AND PROGRAM PLANNING ON THEIR RELIANCE ON FEDERAL FUNDING AND CONDITIONS OR RESTRICTIONS RELATED TO THE USE OF THOSE FEDERAL FUNDS; REQUIRING THE OFFICE OF BUDGET AND PROGRAM PLANNING TO COMPILE A REPORT ON FEDERAL FUNDING RECEIVED BY DESIGNATED STATE AGENCIES AND SUBMIT THE REPORT IN AN ELECTRONIC FORMAT TO THE LEGISLATIVE FINANCE COMMITTEE; REQUIRING THE LEGISLATIVE FINANCE COMMITTEE TO REVIEW THE REPORT AND MAKE RECOMMENDATIONS; AND PROVIDING AN EFFECTIVE DATE."

On April 10, 2015, I vetoed House Bill 315 for increasing bureaucracy and red tape for no clear purpose. I now veto House Bill 381 – a bill very similar to House Bill 315 – for the same reasons.

HB 381 requires state agencies to annually report the aggregate value of federal receipts for the preceding fiscal year, calculate the percentage of the agency's total budget that is made up of federal receipts, and develop plans for agency operations if there is a 10 percent reduction in federal receipts. Agencies must submit a second report that identifies the priority or rank of federal funds in descending order, describes agency action that is conditioned upon the receipt of federal funds, and identifies the costs of administering federal funds. These reports are to be submitted to the Office of Budget and Program Planning (OBPP). The OBPP is then to prepare a report that summarizes agency reports and include a list of designated state agencies that do not submit reports. The OBPP must then submit a report summarizing agency reports to the legislative finance committee for consideration. All of these reporting requirements would be piled on top of the current reporting

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requirements of the Federal Mandates Act. OBPP estimates that the bill would cost \$300,000 annually in new costs to the state, due to the numerous and detailed reporting requirements.

Increasing the efficiency of state government operations is a central goal of my administration. HB 381 largely duplicates the purpose of the existing Federal Mandates Act, while vastly increasing state bureaucracy.

For these reasons, I veto HB 381.

Sincerely,

A handwritten signature in black ink, appearing to be "Steve Bullock", written over a horizontal line.

STEVE BULLOCK
Governor

cc: Legislative Services Division
Austin Knudsen, Speaker of the House
Debby Barrett, President of the Senate