

SEPTEMBER 5, 2017

Revenue and Transportation Interim Committee
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OVERVIEW OF RTIC ROLE RELATED TO 17-7-140

Budget Director Dan Villa notified the Revenue and Transportation Interim Committee on September 5, 2017, of the intent to certify a projected general fund budget deficit pursuant to 17-7-140, MCA. This overview discusses how a projected general fund budget deficit is determined and the Revenue and Transportation Interim Committee's (RTIC) role in the process.

What is a projected general fund budget deficit?

Section 17-7-140(3)(a) defines "projected general fund budget deficit" as an amount, certified by the budget director to the governor, by which projected ending general fund balance for the biennium is less than a certain percentage of general fund appropriations for the second fiscal year of the biennium. The percentage varies based on the time until the next legislative session, with the percentage decreasing as the next legislative session nears.

Before October of the year preceding a legislative session, a projected general fund budget deficit exists, if certified by the budget director to the governor, when the projected ending general fund balance for the biennium is less than 5% of the general fund appropriations for the second fiscal year of the biennium. According Director Villa's [memorandum](#) to state agencies, 5% of general fund appropriations in the second fiscal year of the biennium is approximately \$143 million.

What is the Revenue and Transportation Interim Committee's role?

Section 17-7-140(4) provides that upon a determination that "an amount of actual or projected receipts will result in an amount less than the amount projected to be received in the revenue estimate," the budget director is required to notify RTIC of this amount. The committee must then provide the budget director with any recommendations about the amount within 20 days of the budget director's notification. Based on the September 5 notification date, the committee has until September 25, 2017, to provide recommendations to the budget director.

Before certifying a projected general fund budget deficit to the governor, the budget director shall consider any recommendations of RTIC.

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