

HOUSE BILL NO. 522

INTRODUCED BY J. SINRUD

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING THE EXECUTIVE BUDGET; REVISING THE DEFINITIONS OF "NEW PROPOSALS" AND "PRESENT LAW BASE"; REQUIRING CITATIONS FOR ADJUSTMENTS TO THE PRESENT LAW BASE; AND AMENDING SECTIONS 17-7-102 AND 17-7-123, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 17-7-102, MCA, is amended to read:

**"17-7-102. Definitions.** As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges, and any other person or any other administrative unit of state government that spends or encumbers public money by virtue of an appropriation from the legislature under 17-8-101.

(3) "Approving authority" means:

(a) the governor or the governor's designated representative for executive branch agencies;

(b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;

(c) the speaker for the house of representatives;

(d) the president for the senate;

(e) appropriate legislative committees or a designated representative for legislative branch agencies;

or

(f) the board of regents of higher education or its designated representative for the university system.

(4) "Base budget" means the resources for the operation of state government that are of an ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special revenue funds may not exceed that level of funding authorized by the previous legislature.

(5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

(6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated



1 circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly  
2 not within the contemplation of the legislature and the governor, and that affects one or more functions of a state  
3 agency and the agency's expenditure requirements for the performance of the function or functions.

4 (7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set  
5 forth in 17-8-101.

6 (8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next  
7 legislative session for legislative consideration.

8 (9) (a) "New proposals" means, subject to subsections (9)(c) and (9)(d), requests to provide new  
9 nonmandated services, to change program services, to eliminate existing services, or to change sources of  
10 funding.

11 (b) For purposes of establishing the present law base, the distinction between new proposals and the  
12 adjustments to the base budget to develop the present law base is to be determined by the existence of  
13 constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that  
14 is not based on those requirements is considered a new proposal.

15 (c) Any agency budget proposal that requires legislation, other than an appropriation, to implement all  
16 or part of the proposal is a new proposal.

17 (d) # UNLESS OTHERWISE PROVIDED BY LAW, IF a proposal provides funding for a proposal identified in the  
18 previous biennium budget as a one-time-only appropriation, it must be requested as a new proposal.

19 (10) "Present law base" means that level of funding needed under present law to maintain operations and  
20 services at the level authorized by the previous legislature, including but not limited to:

21 (a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases,  
22 for which legislative budgetary discretion is limited by existing law, such as for entitlement programs or  
23 incarceration of offenders;

24 (b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;

25 (c) inflationary or deflationary adjustments; and

26 (d) elimination of nonrecurring appropriations.

27 (11) "Program" means a principal organizational or budgetary unit within an agency.

28 (12) "Requesting agency" means the agency of state government that has requested a specific budget  
29 amendment.

30 (13) "University system unit" means the board of regents of higher education; office of the commissioner

1 of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state  
2 university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with  
3 central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the  
4 cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central  
5 offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City,  
6 Glendive, and Kalispell."

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8 **Section 2.** Section 17-7-123, MCA, is amended to read:

9 **"17-7-123. Form of executive budget.** (1) The budget submitted must set forth a balanced financial  
10 plan for funds subject to appropriation and enterprise funds that transfer profits to the general fund or to accounts  
11 subject to appropriation for each accounting entity and for the state government for each fiscal year of the ensuing  
12 biennium. The base level plan must consist of:

13 (a) a consolidated budget summary setting forth the aggregate figures of the budget in a manner that  
14 shows a balance between the total proposed disbursements and the total anticipated receipts, together with the  
15 other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the  
16 corresponding figures for the last-completed fiscal year and the fiscal year in progress. The consolidated budget  
17 summary must be supported by explanatory schedules or statements.

18 (b) budget and full-time equivalent personnel position comparisons by agency, program, and  
19 appropriated funds for the current and subsequent biennium;

20 (c) the departmental mission and a statement of goals and objectives for the department;

21 (d) base budget disbursements for the completed fiscal year of the current biennium, estimated  
22 comparable disbursements for the current fiscal year, and the proposed present law base budget plus new  
23 proposals, if any, for each department and each program of the department;

24 (e) a statement containing recommendations of the governor for the ensuing biennium by program and  
25 disbursement category, including:

26 (i) explanations of appropriation and revenue measures included in the budget that involve policy  
27 changes;

28 (ii) descriptions of adjustments to the present law base that include the statutory citation that provides  
29 the legal mandate supporting the proposed change;

30 ~~(ii)~~(iii) matters not included as a part of the budget bill but included as a part of the executive budget, such

1 as the state employee pay plan, programs funded through separate appropriations measures, and other matters  
2 considered necessary for comprehensive public and legislative consideration of the state budget; and  
3 ~~(iii)~~(iv) a summary of budget requests that include proposed expenditures on information technology  
4 resources. The summary must include funding, program references, and a decision package reference;  
5 (f) a report on:  
6 (i) enterprise funds not subject to the requirements of subsections (1)(a) through (1)(e), including  
7 retained earnings and contributed capital, projected operations and charges, and projected fund balances; and  
8 (ii) fees and charges in the internal service fund type, including changes in the level of fees and charges,  
9 projected use of the fees and charges, and projected fund balances. Fees and charges in the internal service fund  
10 type must be approved by the legislature in the general appropriations act. Fees and charges in a biennium may  
11 not exceed the level approved by the legislature in the general appropriations act effective for that biennium.  
12 (g) any other financial or budgetary material agreed to by the budget director and the legislative fiscal  
13 analyst.  
14 (2) The statement of departmental goals and objectives and the schedule for each fund required in  
15 17-7-111(3)(b) of the executive budget are not required to be printed but must be available in the office of budget  
16 and program planning and on the internet."

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