



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

**Bill #** SB0169

**Title:** Adjust local government basic entitlement share for public defender costs

**Primary Sponsor:** Laslovich, J.

**Status:** As Introduced

- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

To open the fiscal Summary spreadsheet, right click on the spreadsheet, select Worksheet Object/Edit. To exit the spreadsheet, click outside of the spreadsheet.

|  | <u>FY 2007<br/>Difference</u> | <u>FY 2008<br/>Difference</u> | <u>FY 2009<br/>Difference</u> | <u>FY 2010<br/>Difference</u> | <u>FY 2011<br/>Difference</u> |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Expenditures:</b>                   |                               |                               |                               |                               |                               |
| General Fund                           | \$109,965                     | \$113,561                     | \$117,308                     | \$121,180                     | \$125,178                     |
| <b>Revenue:</b>                        |                               |                               |                               |                               |                               |
| General Fund                           | \$0                           | \$0                           | \$0                           | \$0                           | \$0                           |
| <b>Net Impact-General Fund Balance</b> | <u>(\$109,965)</u>            | <u>(\$113,561)</u>            | <u>(\$117,308)</u>            | <u>(\$121,180)</u>            | <u>(\$125,178)</u>            |

### Description of fiscal Impact:

This bill would increase the entitlement share payments to six counties for FY 2007 by a total amount of approximately \$110,000. Entitlement share payments come from the state general fund. Current year entitlement share pool calculations are used as the starting point for the next year's calculations. This results in all future years' calculations being affected.

### FISCAL ANALYSIS

#### Assumptions:

1. Section one of this bill would amend 15-1-121, MCA. SB 146 of the 2005 Legislative Session provided for adjustment to the entitlement share pool calculations for county and local governments for FY 2007 for the state assumption of public defender costs. Subsequent to the passage of SB146, an audit revealed that the adjustments for six counties needed to be corrected. This bill provides for those corrections.
2. The corrections would result in a statewide increase of \$109,965 in the entitlement share payments to the six county governments for FY 2007. This would be an expenditure from the general fund.
3. The entitlement share pool for county governments will grow by 3.27% for FY 2008 and 3.33% for FY 2009. For FY 2010 and FY 2011 the annual growth rate is assumed to be 3.33%.

4. The effect on the general fund expenditures for FY 2008 would be an increase of \$113,561 (\$109,965 x 1.0327).
5. The effect on the general fund expenditures for FY 2009 would be an increase of \$117,308 (\$109,965 x 1.0327 x 1.033).
6. The effect on the general fund expenditures for FY 2010 would be an increase of \$121,180 (\$109,965 x 1.0327 x 1.033 x 1.033).
7. The effect on the general fund expenditures for FY 2011 would be an increase of \$125,178 (\$109,965 x 1.0327 x 1.033 x 1.033 x 1.033).
8. This bill would not have an effect on administrative costs for the Department of Revenue.
9. Section two would make this bill effective on passage and approval.
10. Section three would make this bill applicable to entitlement share pool calculations and entitlement share payments for FY 2007 and subsequent years.

|   | <u>FY 2007<br/>Difference</u> | <u>FY 2008<br/>Difference</u> | <u>FY 2009<br/>Difference</u> | <u>FY 2010<br/>Difference</u> | <u>FY 2011<br/>Difference</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b><u>Fiscal Impact:</u></b>  |                               |                               |                               |                               |                               |
| <b><u>Expenditures:</u></b>   |                               |                               |                               |                               |                               |
| Local Assistance  | \$109,965                     | \$113,561                     | \$117,308                     | \$121,180                     | \$125,178                     |
| <b><u>Funding of Expenditures:</u></b>  |                               |                               |                               |                               |                               |
| General Fund (01)   | \$109,965                     | \$113,561                     | \$117,308                     | \$121,180                     | \$125,178                     |
| <b><u>Revenues:</u></b>   |                               |                               |                               |                               |                               |
| General Fund (01)   | \$0                           | \$0                           | \$0                           | \$0                           | \$0                           |
| <b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b> |                               |                               |                               |                               |                               |
| General Fund (01)   | (\$109,965)                   | (\$113,561)                   | (\$117,308)                   | (\$121,180)                   | (\$125,178)                   |

**Technical Notes:**

1. The audit corrections for the six counties were available to the Department of Revenue prior to the calculation of the entitlement share payments for FY2007. The Department of Revenue incorporated these corrections in the calculation of the entitlement share payments for FY2007.

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*Sponsor's Initials*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Budget Director's Initials*

\_\_\_\_\_  
*Date*