

1 HOUSE BILL NO. 388

2 INTRODUCED BY R. COOK

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCEDURES AND STANDARDS FOR MAKING
5 BUDGET COMPARISONS; AND AMENDING SECTION 17-7-151, MCA."

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

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9 **Section 1.** Section 17-7-151, MCA, is amended to read:10 **"17-7-151. Budget performance -- comparison.** (1) The measure of budget performance is the total
11 actual or estimated expenditure of state resources that reflects the cost of general government operations funded
12 by taxes and fees. The measure of budget performance also includes the comparisons made under subsection
13 (3).14 (2) In preparing budget comparisons, the office of budget and program planning and the legislative fiscal
15 division shall compare actual expenditures of state resources in the first year of the current biennium plus
16 appropriations of state resources in the second year of the current biennium to appropriations of state resources
17 in the next biennium. Anticipated reversions may be deducted from appropriated amounts ~~per~~ under an
18 agreement between the two offices.19 (3) In measuring budget performance, the office of budget and program planning and the legislative fiscal
20 division shall, in addition to the comparisons made under subsection (2), compare actual and estimated
21 expenditures of state resources as follows:22 (a) nominal and inflation-adjusted actual expenditures in the 5 previous fiscal years and nominal and
23 inflation-adjusted estimated expenditures in the second year of the current biennium and in each year of the next
24 biennium;25 (b) accounting changes affecting the level of expenditures for the 5 previous fiscal years and for the
26 second year of the current biennium and for the next biennium, if information is available;27 (c) per capita actual expenditures in nominal and inflation-adjusted amounts in the 5 previous fiscal years
28 and estimated per capita expenditures in nominal and inflation-adjusted amounts in the second year of the current
29 biennium and in each year of the next biennium; and30 (d) actual expenditures per \$1,000 of gross state product for the 5 previous fiscal years and estimated

1 expenditures per \$1,000 of gross state product in the second year of the current biennium and in each year of
2 the next biennium:

3 ~~(3)~~(4) The legislative fiscal analyst and the budget director shall enter into an agreement on
4 measurement standards for budget comparisons, including data sources for the comparisons required by
5 subsection (3). The office of budget and program planning and the legislative fiscal division shall use the same
6 methodology to estimate the amounts of statutory appropriations. If there are differences in estimates of revenue
7 or amounts of statutory appropriations, the legislative fiscal analyst shall explain the differences as part of the
8 independent analysis of the executive budget.

9 ~~(4)~~(5) Budget comparisons must include the same attributes and methods of calculation. Items that are
10 not appropriated at the beginning of a biennium, such as budget amendments, supplemental appropriations, and
11 emergency appropriations, must be included in budget comparisons under subsection (2), but must be
12 segregated and indicated as noncomparable items."

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