



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.

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

Section 1. Definitions. (1) As used in [this act]:

(1) (a) "Designated state agency" means:

- (i) the department of administration;
- (ii) the department of agriculture;
- (iii) the arts council;
- (iv) the office of the state auditor;
- (v) the board of regents;
- (vi) the department of commerce;
- (vii) the department of corrections;
- (viii) the department of environmental quality;
- (ix) the department of fish, wildlife, and parks;
- (x) the governor's office;
- (xi) the office of the commissioner of higher education;
- (xii) the department of justice;

- (xiii) the department of labor and industry;
- (xiv) the department of livestock;
- (xv) the department of military affairs;
- (xvi) the Montana board of crime control;
- (xvii) the department of natural resources and conservation;
- (xviii) the commissioner of political practices;
- (xix) the office of the state public defender;
- (xx) the board of public education;
- (xxi) the department of public health and human services;
- (xxii) the office of public instruction;
- (xxiii) the public service commission;
- (xxiv) the department of revenue;
- (xxv) the school for the deaf and blind;
- (xxvi) the secretary of state;
- (xxvii) the state fund;
- (xxviii) the state library; and
- (xxix) the department of transportation.

(b) The term does not include the judicial branch, the legislative branch, or an office or other entity within the judicial branch or the legislative branch.

(2) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C. 7501, that is reported as part of a single audit.

(3) "Single audit" is as defined in 31 U.S.C. 7501.

Section 2. Federal receipts reporting. (1) Subject to subsections (2) and (3), a designated state agency shall each year, on or before October 31, prepare a report that:

(a) reports the aggregate value of federal receipts the designated state agency received for the preceding fiscal year;

(b) calculates the percentage of the designated state agency's total budget for the preceding fiscal year that constitutes federal receipts that the designated state agency received for that fiscal year; and

(c) develops plans for operating the designated state agency if there is a reduction of 10% or more in the federal receipts that the designated state agency receives.

(2) (a) The report required by subsection (1) that the board of regents prepares must include the information required by subsections (1)(a) and (1)(b) for each state institution of higher education listed in 17-7-102.

(b) The report required by subsection (1) that the office of public instruction prepares must include the information required by subsections (1)(a) and (1)(b) for each school district and each charter school within the public education system.

(3) A designated state agency, on or before October 31, shall also prepare a report that:

(a) identifies the priority or rank of the federal funds in descending order with the funding source the agency relies on to the greatest extent listed first and the funding source the agency relies on to the least extent listed last;

(b) provides a description of any action the agency is required to take or is prohibited from taking as a condition for the receipt or continued receipt of federal funds; and

(c) identifies any costs the agency incurs to administer the total federal funds it receives.

(4) A designated state agency that prepares reports in accordance with subsections (1) and (3) shall submit the reports to the office of budget and program planning on or before November 1 of each year for the most recent full year for which it has the reports.

(5) (a) The office of budget and program planning shall, on or before November 30 of each year, prepare a report that:

(i) compiles and summarizes the reports the office of budget and program planning receives in accordance with subsection (4); and

(ii) compares the aggregate value of federal receipts each designated state agency received for the previous fiscal year to the aggregate amount of federal funds appropriated by the legislature to that designated state agency for that fiscal year.

(b) The office of budget and program planning shall, as part of the report required by this subsection, compile a list of designated state agencies that do not submit a report as required by this section.

(6) The office of budget and program planning shall submit the report required by subsection (5) to the legislative finance committee on or before December 1 of each year. The report must be submitted in an

electronic format.

(7) Upon receipt of the report required by subsection (5), the chair of the legislative finance committee shall place the report on the agenda for review and consideration at the next legislative finance committee meeting.

(8) When considering the report required by subsection (5), the legislative finance committee may elect to:

- (a) recommend that the legislature reduce or eliminate appropriations for a designated state agency;
- (b) take no action; or
- (c) take another action that a majority of the committee approves.

(9) If a report with the information required pursuant to subsection (3)(b) is posted on a website for the office of budget and program planning and contains live links to a federal web page containing the information required under subsection (3)(b), then the requirements of subsection (3)(b) are fulfilled. If a live link to a federal web page containing the information required under subsection (3)(b) is not available, the agency is not required to provide that information in another format.

Section 3. Codification instruction. [Sections 1 and 2] are intended to be codified as an integral part of Title 17, chapter 3, part 4, and the provisions of Title 17, chapter 3, part 4, apply to [sections 1 and 2].

Section 4. Effective date. [This act] is effective July 1, 2015.

- END -

I hereby certify that the within bill,
HB 0381, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2015.

President of the Senate

Signed this _____ day
of _____, 2015.

HOUSE BILL NO. 381

INTRODUCED BY T. BURNETT, N. BALLANCE

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.