



MONTANA LEGISLATIVE BRANCH

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Director
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DATE: April 4, 2014
TO: Legislative Council
FROM: Amy Carlson, Legislative Fiscal Analyst
RE: Budgeting Process

INTRODUCTION

The following report offers suggestions for reducing the number of official legislative days used in the budget process. Key assumptions are:

- 1) The legislature desires to maintain the current level of fiscal oversight of agency budgets
- 2) No changes are made to the interim to allow the current subcommittees to have oversight

The memo focuses on the budget process alone and does not address any other relevant legislative considerations for other types of bills or other policy consideration.

IDEAS FOR SHORTENING FIRST HALF OF SESSION

An idea for addressing shortening the official legislative days in the first "half" of session budget work is to recess for most of the budget review and oversight portion of the session. That is, session could start with brief swearing in and formalities (1-2 session days) then break for the remainder of January. Approximately 40 legislators – those assigned to appropriation committees – would remain to perform budget review and oversight. Appropriation subcommittees would continue to meet as they do now. The other 110 legislators would recess for 20-24 session days. Thus, the first half of session would be shortened for the majority of legislators.

As usual, subcommittees would wrap up their work and have the draft of HB 2 and other budget bills available approximately the third week of February. The following table outlines these events.

Day	Action	Approximate date
1	Pass House floor third reading	January 5
2	Recess (could recess after one day)	January 6
...	Budget hearings no full session	Remainder of January
3	Start up the full session	February 2
4		February 3
5		February 4
...	Regular session schedule	February
21	HB 2 and analysis available	February 23
22		February 24
23		February 25
24	Last day before session break	February 26

Some options to reduce session days to less than 24 could include: not meeting for Saturdays in February and only meeting one day at the beginning of session. In this option, budget processes do not change significantly and only 20-24 session days are used.

IDEAS FOR SHORTENING SECOND HALF OF SESSION

A suggestion for reducing the number of days in the second half of session changes legislative budget process by sending the budget bills from subcommittee to a Joint House Appropriations (HAC) and Senate Finance and Claims (SFC) Committee. Currently, this would create a committee of approximately 40 members. With this Joint Committee option, it may be advisable to reduce the size of these committees.

- The bills would pass with only those amendments that pass both SFC and HAC.
- The bills could pass from this Joint Committee to the House Floor.
- While in the Senate, since the bills would have been heard by SFC as part of the Joint Committee, the SFC could limit testimony and action to the house floor amendments.
- SFC could add any amendment, but changes could be limited since already negotiated with HAC if leadership wished.
- Senate floor could amend the entire bill as needed or limited as agreed to by leadership.
- Conference committee could meet as needed

The budget deliberations, primarily in March, would be the crucial time for all parties to negotiate the budget. In order for the remainder of session to finish on time, the Joint Committee and leadership would need to work together to ensure the passage of budget bills from the Joint Committee to the final conference committee. After March, only minimal amendments could be made to complete the process. Assuming two working days between versions of the bill the schedule could be (starting at Day 46 - currently House Appropriations committee deliberations):

Day	Action	Approximate date
46	Joint Committee deliberations on budget bills	March 2
...		
63...	Pass all budget bills second reading	
67	Pass final budget bill House floor third reading (assume make no change in transmittal date)	March 27
68		
69	Senate Finance and Claims (executive action same day, other bills need to come across staggered)	March 30
70	Amendments prepared ahead	
71		
72	Senate Floor final budget bills	April 2
73		
74		
75	Free Conference Committees on various budget bills	April 9

The total legislative days in this second “half” shown above are 30 days.

March would be the significant budget negotiation month between the House, Senate, and the Governor. This approach would materially impact how leadership and the appropriations committees work together.

Many discussions would need to be held in order to change our organizational plans to achieve this type of quick ending.

COMBINING BOTH FIRST HALF AND SECOND HALF SHORTENING IDEAS

All actions after March need to move very quickly with little change.

If the first “half” of session took 20 to 24 legislative days, then the second “half” of session would begin on days 21 to 25, meaning that the current day 46 could be day 21 to 25.

Using the suggested schedule for the second half of session would result in a total of approximately 50 legislative days with session ending around April 9th.

OTHER IDEAS

The Legislative Council may also wish to consider using the same transmittal deadline for both revenue and general bills. This would force consideration of revenue bills sooner in the process and included in the final budget negotiation.