

## **CHANGE IN BUDGET PRESENTATION**

The Legislative Finance Committee (LFC) has directed Legislative Fiscal Division (LFD) staff to write the 2017 Biennium Legislative Fiscal Analyst Budget Analysis in a way that will allow the legislature to use FY 2015 appropriations as the budgeting base, rather than the traditional FY 2014 actual expenditures. The budget as presented in the budget analysis will be the executive's request, but change packages will be from the FY 2015 appropriated level instead of FY 2014 actual expenditures.

### **FY 2015 Base Budget**

The legislature will use the FY 2015 legislative appropriations as the base starting point. This amount can differ from the adjusted FY 2015 appropriations in several key ways, each of which will allow the opportunity for legislative review and discussion:

1. Any reorganizations that occurred in time to be incorporated into the adjusted FY 2015 appropriation will not be reflected;
2. Biennial appropriations will not be adjusted to include any unspent authority from the first year; and
3. Overtime and other special pay adjustments that are normally removed from the FY 2014 adjusted base expenditures will be included in FY 2015 base.

### **Change Packages**

The LFD will create two change packages: 1) CP 98 Personal Services Present Law (PSPL), which will be the entire difference between the FY 2015 legislative appropriation and the executive recommended present law personal services; and 2) CP 99 Legislative Present Law (LGPL), which will total the entire difference between the FY 2015 legislative appropriation and the executive recommended present law for all other expenditures.

LFD staff will then break down these change packages as much as needed into legislative decision points. These decision points will be listed, along with the analysis. To the extent possible, the LFD will define decision points to be consistent with change packages requested by the executive. There could be a significant "other" remaining after the decision points are identified.

The LFD had earlier been tasked by the Legislative Finance Committee to explain statewide present law personal services changes contained in the 2017 biennium executive budget in a manner that allowed additional legislative decision points. The LFC will recommend to the chairs of House Appropriations and Senate Finance and Claims how to combine these decision points into change packages. The final decision will be made by the two chairs no later than December 5. These decision points will be part of the CP 98 PSPL decision points presented in the LFD budget analysis.

The following links are to reports presented to the LFC that explain further:

[http://leg.mt.gov/content/Publications/fiscal/interim/2014\\_financemy\\_Sept/PersonalServices.pdf](http://leg.mt.gov/content/Publications/fiscal/interim/2014_financemy_Sept/PersonalServices.pdf)

[http://leg.mt.gov/content/Publications/fiscal/interim/2013\\_financemy\\_dec/Personal-Services.pdf](http://leg.mt.gov/content/Publications/fiscal/interim/2013_financemy_dec/Personal-Services.pdf)

The LFD, along with SABHRS staff and the system developer are currently exploring ways to utilize the new budgeting system (IBARS) to provide the information necessary to seamlessly reflect this change.

## **BUDGET ANALYSIS**

As usual, over the next several weeks your fiscal analyst will have questions regarding your Governor's recommended budget submission. You can expect questions that may include changes from the previous appropriated level such as reorganizations, program transfers, and operation plan adjustments.

The version of IBARS including the LFD created change packages will be available shortly after the November 17 Executive Budget Submission. At this time your staff will have the details necessary to review the new approach.