



MONTANA LEGISLATIVE BRANCH

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Director
AMY CARLSON

DATE: September 24, 2012

TO: Members of the Legislative Finance Committee

FROM: Barbara Smith, Assistant Principle Fiscal Analyst

RE: State Special Revenue Project Update

As part of the 2013 Interim work plan, the Legislative Finance Committee (LFC) directed the staff to examine the dedicated revenue provisions as related to state special revenue (SSR) funds. This memo serves to update the committee on the progress of this project and identifies further opportunities.

A data base is under development that links the 700+ SSR funds to the corresponding statutory reference, the secondary reference and the year of inception. Once populated with this basic data, the next step will be to add financial data and fields to identify any issues. This database is a work in progress and will take some time to complete. This does not mean that SSRs will go unexamined; a portion of this work will be completed as part of the budget analysis.

Statute (17-1-505, MCA) recognizes review of dedicated revenue provisions as part of the budget analysis process. As a part of this process, LFD Analysts review the request for and historical utilization of state special revenue funds, particularly those that are a major part of agency operations. When issues are identified, the budget analysis contains a descriptive write up detailing concerns and providing options. A brief example follows:

Hazardous waste fees are utilized in the public water supply oversight program even though it is statutorily prohibited. The legislature could raise public water supply fees, change the hazardous waste statute or appropriate general fund to correct the situation.

Should the LFC wish to insure that the issues raised with state special revenue funds, are discussed and addressed, a global motion could provide direction for this purpose. This could be limited to those that are a major part of agency operations. This opportunity is further addressed in the September 2012 LFD report "Potential Global Motions to Address Current Budget Issues". Should the committee wish to pursue this opportunity, staff would provide the potential global motion at the November 2012 meeting for approval.