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As of: November 10, 2014 (1:46pm)

LC0479

**** Bill No. ****

Introduced By *****

By Request of the Legislative Finance Committee

A Bill for an Act entitled: "An Act revising the methodology for budget and expenditure comparisons; amending sections 17-7-150 and 17-7-151, MCA; and providing a termination date."

Be it enacted by the Legislature of the State of Montana:

NEW SECTION. **Section 1. Expenditure comparison.** (1) The expenditure comparison contrasts the expenditures of state resources for general government operations over time.

(2) In preparing expenditure comparisons, the office of budget and program planning and the legislative fiscal division shall compare actual expenditures of state resources over time.

(3) Expenditure comparisons must include the same attributes and methods of calculation. An expenditure of state resources shall be accounted for only once in the comparison. Expenditures that are not appropriated at the beginning of a biennium, such as budget amendments, supplemental appropriations, and emergency appropriations, must be included in expenditure comparisons, but must be segregated.

NEW SECTION. **Section 2. State contributions to local government -- expenditure comparison.** Expenditure comparisons of state resources to local government must include local assistance

grants, city or county or city-county appropriations, federal revenue sharing funds, fund transfers to local governments and other expenditures of state resources made by the state to local government entities, tribal entities and school districts.

NEW SECTION. **Section 3. Expenditures for district courts and the office of public defender.** Expenditure comparisons of state resources to local government must include the state expenditures for the district courts and the office of state public defender but not the office of appellate public defender.

Section 4. Section 17-7-150, MCA, is amended to read:

"17-7-150. Definitions. As used in 17-7-151, the following definitions apply:

(1) "Current biennium" means the biennium during which the legislature is meeting in regular session.

(2) "Next biennium" means the biennium for which the regular session of the legislature makes appropriations.

(3) (a) "State resources" means:

(i) the general fund;

(ii) the state special revenue funds other than private funds;

(iii) the federal special revenue funds;

(iv) ~~proprietary funds that require an appropriation~~
identified fund transfers to non-state resources, not including

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the debt service fund type; and

~~(v) long-range building program appropriations the capital projects fund type.~~

(b) The term does not include:

(i) the debt service funds fund type;

~~(ii) capital project funds other than those appropriated;~~

~~(iii)(ii) internal service or proprietary funds that do not require an appropriation the proprietary fund type;~~

~~(iv)(iii) fund transfers among state resources or from state resources to the debt service fund type;~~

~~(v) enterprise funds;~~

~~(vi)(iv) unrestricted or other university the higher education funds;~~

~~(vii) agency funds not distributed to local governments;~~

~~(viii) private purpose trust funds;~~

~~(ix)(v) permanent funds;~~

~~(x) pension trust funds;~~

(vi) the fiduciary fund category; and

~~(xi)(x) noncash accounting entries; and.~~

~~(xii) private funds deposited in state special revenue accounts."~~

{Internal References to 17-7-150: None.}

Section 5. Section 17-7-151, MCA, is amended to read:

"17-7-151. Budget performance -- comparison. (1) The ~~measure of budget performance is the total actual or estimated expenditure of state resources that reflects the cost of general~~

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~~government operations funded by taxes and fee comparison~~
contrasts the appropriations for general government operations in one biennium to those in a different biennium.

(2) In preparing budget comparisons for legislative sessions, the office of budget and program planning and the legislative fiscal division shall compare ~~actual expenditures~~ temporary and statutory appropriations of state resources in ~~the first year of the current biennium plus appropriations of state resources in the second year of the current biennium~~ to temporary and statutory appropriations of state resources in the next biennium. ~~Anticipated reversions may be deducted from appropriated amounts per agreement between the two offices.~~

(3) ~~The legislative fiscal analyst and the budget director shall enter into an agreement on measurement standards for budget comparisons.~~ The office of budget and program planning and the legislative fiscal division shall ~~use the same methodology~~ share the methods used to estimate the amounts of statutory appropriations. If there are differences in estimates of revenue or amounts of statutory appropriations, the legislative fiscal analyst shall explain the differences as part of the independent analysis of the executive budget.

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

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{*Internal References to 17-7-151:*
17-7-150x }

NEW SECTION. **Section 6. {standard} Codification**

instruction. [Sections 1, 2, and 3] are intended to be codified as an integral part of Title 17, chapter 7, part 1, and the provisions of Title 17, chapter 7, part 1, apply to [sections 1, 2, and 3].

NEW SECTION. **Section 7. {standard} Termination.** [Section 3] terminates June 30, 2025.

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