

1 SENATE BILL NO. 269

2 INTRODUCED BY E. WALKER

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ~~GENERALLY REVISING BUDGET LAWS~~; PROVIDING THAT
5 EXPENDITURE ESTIMATES IN FISCAL NOTES ARE IN EXCESS OF OR A REDUCTION TO THE BASE
6 BUDGET; ~~INCLUDING SPREADSHEETS AND ANALYSIS IN FISCAL ANALYSIS INFORMATION~~; CLARIFYING
7 THAT PRESENT LAW ADJUSTMENTS ARE NOT INCLUDED IN THE BASE BUDGET; REPLACING
8 REFERENCES TO A PRESENT LAW BASE BUDGET WITH REFERENCES TO PRESENT LAW
9 ADJUSTMENTS; AMENDING SECTIONS 5-4-205, 5-12-303, 17-7-102, 17-7-111, 17-7-112, 17-7-123, AND
10 20-9-326, MCA; AND PROVIDING AN EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
14 **Section 1.** Section 5-4-205, MCA, is amended to read:
15 **"5-4-205. Contents of notes.** (1) Fiscal notes must, when possible, show in dollar amounts the
16 estimated increase or decrease in revenue or expenditures, costs that may be absorbed without additional funds,
17 and long-range financial implications. A comment or opinion relative to the merits of the bill may not be included
18 in the fiscal note. However, technical or mechanical defects may be noted.

19 (2) It is the legislature's intent that a fiscal note be prepared as an objective analysis of the fiscal impact
20 of legislation. The fiscal note should represent only the estimate of the revenue and expenditures that would result
21 from the implementation of the legislation, if enacted, and may not in any way reflect the views or opinions of the
22 preparing agencies, the sponsor, or other interested parties. Changes in revenue must be estimated for each
23 reported year based upon appropriate revenue estimating methodologies for the source of revenue described
24 and should reflect a change from the official revenue estimate provided for in 5-5-227. Expenditures must be
25 estimated as the amount required for implementing the legislation, if enacted, in excess of or as a reduction to
26 the ~~present law base~~ level of expenditures for the budget for the second year of the biennium in each reported
27 year regardless of whether or not the preparing agency determines that it can absorb the costs in its proposed
28 budget.

29 (3) The fiscal note must clearly differentiate between facts and assumptions made in the preparation of
30 the fiscal note while maintaining a logical flow of both fact and assumption in presenting how the fiscal impact

1 is determined."

2

3 **Section 2.** Section 5-12-303, MCA, is amended to read:

4 **"5-12-303. Fiscal analysis information from state agencies.** (1) The legislative fiscal analyst may
5 investigate and examine the costs and revenue of state government activities and may examine and obtain copies
6 of the records, books, ~~spreadsheets, analysis,~~ and files of any state agency, including confidential records.

7 (2) When confidential records and information are obtained from a state agency, the legislative fiscal
8 analyst and staff must be subject to the same penalties for unauthorized disclosure of the confidential records
9 and information provided for under the laws administered by the state agency. The legislative fiscal analyst shall
10 develop policies to prevent the unauthorized disclosure of confidential records and information obtained from
11 state agencies.

12 (3) (a) The department of revenue shall make Montana individual income tax information available by
13 removing names, addresses, and social security numbers and substituting in their place a state accounting record
14 identifier number. Except for the purposes of complying with federal law, the department may not alter the data
15 in any other way.

16 (b) The department of revenue shall provide the name and address of a taxpayer on written request of
17 the legislative fiscal analyst when the values on the requested return, including estimated payments, are
18 considered necessary by the legislative fiscal analyst to properly analyze state revenue and are of a sufficient
19 magnitude to materially affect the analysis and when the identity of the taxpayer is necessary to evaluate the
20 effect of the return or payments on the analysis being performed.

21 (4) Within 1 day after the legislative finance committee presents its budget analysis to the legislature,
22 the budget director and the legislative fiscal analyst shall exchange expenditure and disbursement
23 recommendations by second-level expenditure detail and by funding sources detailed by accounting entity. This
24 information must be filed in the respective offices and be made available to the legislature and the public. In
25 preparing the budget analysis for the next biennium for submission to the legislature, the legislative fiscal analyst
26 shall use the base budget, the present law ~~base adjustments,~~ and new proposals as defined in 17-7-102.

27 (5) This section does not authorize publication or public disclosure of information if the law prohibits
28 publication or disclosure or if the department of revenue notifies the fiscal analyst that specified records or
29 information may contain confidential information."

30

1 **Section 3.** Section 17-7-102, MCA, is amended to read:

2 **"17-7-102. (Temporary) Definitions.** As used in this chapter, the following definitions apply:

3 (1) "Additional services" means different services or more of the same services.

4 (2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges,
5 and any other person or any other administrative unit of state government that spends or encumbers public
6 money by virtue of an appropriation from the legislature under 17-8-101.

7 (3) "Approving authority" means:

8 (a) the governor or the governor's designated representative for executive branch agencies;

9 (b) the chief justice of the supreme court or the chief justice's designated representative for judicial
10 branch agencies;

11 (c) the speaker for the house of representatives;

12 (d) the president for the senate;

13 (e) appropriate legislative committees or a designated representative for legislative branch agencies;

14 or

15 (f) the board of regents of higher education or its designated representative for the university system.

16 (4) (a) "Base budget" means the resources for the operation of state government that are of an ongoing
17 and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special
18 revenue funds may not exceed that level of funding authorized by the previous legislature. [For the biennium
19 beginning July 1, 2013, the base budget for the human and community services division in the department of
20 public health and human services may also include the state general fund equivalent to expenditures in fiscal year
21 2012 of one-time-only TANF federal special revenue funding appropriated during the 2013 biennium to the
22 division for the purpose of child care.]

23 (b) The term does not include:

24 (i) funding for water adjudication if the accountability benchmarks contained in 85-2-271 are not met;

25 (ii) funding for petroleum storage tank leak prevention if the accountability benchmarks in 75-11-521 are
26 not met.

27 (5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

28 (6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated
29 circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly
30 not within the contemplation of the legislature and the governor, and that affects one or more functions of a state

1 agency and the agency's expenditure requirements for the performance of the function or functions.

2 (7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set
3 forth in 17-8-101.

4 (8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next
5 legislative session for legislative consideration.

6 (9) "New proposals" means requests to provide new nonmandated services, to change program
7 services, to eliminate existing services, or to change sources of funding. ~~For purposes of establishing the present
8 law base, the distinction between new proposals and the adjustments to the base budget to develop the present
9 law base is to be determined by the existence of constitutional or statutory requirements for the proposed
10 expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new
11 proposal.~~ THE DISTINCTION BETWEEN NEW PROPOSALS AND PRESENT LAW ADJUSTMENTS TO THE BASE BUDGET IS
12 DETERMINED BY THE EXISTENCE OF CONSTITUTIONAL OR STATUTORY REQUIREMENTS FOR THE PROPOSED EXPENDITURE.
13 ANY PROPOSED INCREASE OR DECREASE THAT IS NOT BASED ON THOSE REQUIREMENTS IS CONSIDERED A NEW
14 PROPOSAL.

15 (10) "Present law ~~base~~ adjustment" means that ~~level~~ additional amount of funding needed over the base
16 level under ~~present~~ current law to maintain operations and services at the level authorized by the previous
17 legislature, including but not limited to:

- 18 (a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;
- 19 (b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;
- 20 (c) inflationary or deflationary adjustments; and
- 21 (d) elimination of nonrecurring appropriations.

22 (11) "Program" means a principal organizational or budgetary unit within an agency.

23 (12) "Requesting agency" means the agency of state government that has requested a specific budget
24 amendment.

25 (13) "University system unit" means the board of regents of higher education; office of the commissioner
26 of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state
27 university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with
28 central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the
29 cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central
30 offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City,

1 Glendive, and Kalispell. (Terminates June 30, 2020--sec. 11, Ch. 319, L. 2007; bracketed language in subsection
2 (4)(a) terminates June 30, 2013--sec. 9, Ch. 394, L. 2011.)

3 **17-7-102. (Effective July 1, 2020) Definitions.** As used in this chapter, the following definitions apply:

4 (1) "Additional services" means different services or more of the same services.

5 (2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges,
6 and any other person or any other administrative unit of state government that spends or encumbers public
7 money by virtue of an appropriation from the legislature under 17-8-101.

8 (3) "Approving authority" means:

9 (a) the governor or the governor's designated representative for executive branch agencies;

10 (b) the chief justice of the supreme court or the chief justice's designated representative for judicial
11 branch agencies;

12 (c) the speaker for the house of representatives;

13 (d) the president for the senate;

14 (e) appropriate legislative committees or a designated representative for legislative branch agencies;

15 or

16 (f) the board of regents of higher education or its designated representative for the university system.

17 (4) "Base budget" means the resources for the operation of state government that are of an ongoing and
18 nonextraordinary nature in the current biennium. The base budget for the state general fund and state special
19 revenue funds may not exceed that level of funding authorized by the previous legislature.

20 (5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

21 (6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated
22 circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly
23 not within the contemplation of the legislature and the governor, and that affects one or more functions of a state
24 agency and the agency's expenditure requirements for the performance of the function or functions.

25 (7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set
26 forth in 17-8-101.

27 (8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next
28 legislative session for legislative consideration.

29 (9) "New proposals" means requests to provide new nonmandated services, to change program
30 services, to eliminate existing services, or to change sources of funding. ~~For purposes of establishing the present~~

1 ~~law base, the distinction between new proposals and the adjustments to the base budget to develop the present~~
 2 ~~law base is to be determined by the existence of constitutional or statutory requirements for the proposed~~
 3 ~~expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new~~
 4 ~~proposal.~~ THE DISTINCTION BETWEEN NEW PROPOSALS AND PRESENT LAW ADJUSTMENTS TO THE BASE BUDGET IS
 5 DETERMINED BY THE EXISTENCE OF CONSTITUTIONAL OR STATUTORY REQUIREMENTS FOR THE PROPOSED EXPENDITURE.
 6 ANY PROPOSED INCREASE OR DECREASE THAT IS NOT BASED ON THOSE REQUIREMENTS IS CONSIDERED A NEW
 7 PROPOSAL.

8 (10) "Present law ~~base adjustment~~" means that ~~level~~ additional amount of funding needed over the base
 9 level under ~~present~~ current law to maintain operations and services at the level authorized by the previous
 10 legislature, including but not limited to:

- 11 (a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;
- 12 (b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;
- 13 (c) inflationary or deflationary adjustments; and
- 14 (d) elimination of nonrecurring appropriations.

15 (11) "Program" means a principal organizational or budgetary unit within an agency.

16 (12) "Requesting agency" means the agency of state government that has requested a specific budget
 17 amendment.

18 (13) "University system unit" means the board of regents of higher education; office of the commissioner
 19 of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state
 20 university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with
 21 central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the
 22 cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central
 23 offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City,
 24 Glendive, and Kalispell."

25

26 **Section 4.** Section 17-7-111, MCA, is amended to read:

27 **"17-7-111. Preparation of state budget -- agency program budgets -- form distribution and**
 28 **contents.** (1) (a) To prepare a state budget, the executive branch, the legislature, and the citizens of the state
 29 need information that is consistent and accurate. Necessary information includes detailed disbursements by fund
 30 type for each agency and program for the appropriate time period, recommendations for creating a balanced

1 budget, and recommended disbursements and estimated receipts by fund type and fund category.

2 (b) Subject to the requirements of this chapter, the budget director and the legislative fiscal analyst shall
3 by agreement:

4 (i) establish necessary standards, formats, and other matters necessary to share information between
5 the agencies and to ensure that information is consistent and accurate for the preparation of the state's budget;
6 and

7 (ii) provide for the collection and provision of budgetary and financial information that is in addition to or
8 different from the information otherwise required to be provided pursuant to this section.

9 (2) In the preparation of a state budget, the budget director shall, not later than the date specified in
10 17-7-112(1), distribute to all agencies the proper forms and instructions necessary for the preparation of budget
11 estimates by the budget director. These forms must be prescribed by the budget director to procure the
12 information required by subsection (3). The forms must be submitted to the budget director by the date provided
13 in 17-7-112(2), or the agency's budget is subject to preparation based upon estimates as provided in 17-7-112(5).
14 The budget director may refuse to accept forms that do not comply with the provisions of this section or the
15 instructions given for completing the forms.

16 (3) Subject to subsections (7) and (8), the agency budget request must set forth a balanced financial plan
17 for the agency completing the forms for each fiscal year of the ensuing biennium. The plan must consist of:

18 (a) a consolidated agency budget summary of funds subject to appropriation, as provided in 17-8-101,
19 for the current base budget expenditures, including statutory appropriations, and for each present law adjustment
20 and new proposal request setting forth the aggregate figures of the full-time equivalent personnel positions (FTE)
21 and the budget, showing a balance between the total proposed disbursements and the total anticipated receipts,
22 together with the other means of financing the budget for each fiscal year of the ensuing biennium, contrasted
23 with the corresponding figures for the last-completed fiscal year and the fiscal year in progress;

24 (b) a schedule of the actual and projected receipts, disbursements, and solvency of each fund for the
25 current biennium and estimated for the subsequent biennium;

26 (c) a statement of the agency mission and a statement of goals and objectives for each program of the
27 agency. The goals and objectives must include, in a concise form, sufficient specific information and quantifiable
28 information to enable the legislature to formulate an appropriations policy regarding the agency and its programs
29 and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals
30 and objectives.

1 (d) actual FTE and disbursements for the completed fiscal year of the current biennium, estimated FTE
2 and disbursements for the current fiscal year, and the agency's request for the ensuing biennium, by program;

3 (e) actual disbursements for the completed fiscal year of the current biennium, estimated disbursements
4 for the current fiscal year, and the agency's recommendations for the ensuing biennium, by disbursement
5 category;

6 (f) for agencies with more than 20 FTE, a plan to reduce the proposed base budget for the general
7 appropriations act and the proposed state pay plan to 95% of the current base budget or lower if directed by the
8 budget director. Each agency plan must include base budget reductions that reflect the required percentage
9 reduction by fund type for the general fund and state special revenue fund types. Exempt from the calculations
10 of the 5% target amounts are legislative audit costs, administratively attached entities that hire their own staff
11 under 2-15-121, and state special revenue accounts that do not transfer their investment earnings or fund
12 balances to the general fund. The plan must include:

13 (i) a prioritized list of services that would be eliminated or reduced;

14 (ii) for each service included in the prioritized list, the savings that would result from the elimination or
15 reduction; and

16 (iii) the consequences or impacts of the proposed elimination or reduction of each service.

17 (g) a reference for each new information technology proposal stating whether the new proposal is
18 included in the approved agency information technology plan as required in 2-17-523;

19 (h) energy cost saving information as required by 90-4-616; and

20 (i) other information the budget director feels is necessary for the preparation of a budget.

21 (4) The budget director shall prepare and submit to the legislative fiscal analyst in accordance with
22 17-7-112:

23 (a) detailed recommendations for the state long-range building program. Each recommendation must
24 be presented by institution, agency, or branch, by funding source, with a description of each proposed project.

25 (b) a statewide project budget summary as provided in 2-17-526;

26 (c) the proposed pay plan schedule for all executive branch employees at the program level by fund, with
27 the specific cost and funding recommendations for each agency. Submission of a pay plan schedule under this
28 subsection is not an unfair labor practice under 39-31-401.

29 (d) agency proposals for the use of cultural and aesthetic project grants under Title 22, chapter 2, part
30 3, the renewable resource grant and loan program under Title 85, chapter 1, part 6, the reclamation and

1 development grants program under Title 90, chapter 2, part 11, and the treasure state endowment program under
2 Title 90, chapter 6, part 7.

3 (5) The board of regents shall submit, with its budget request for each university unit in accordance with
4 17-7-112, a report on the university system bonded indebtedness and related finances as provided in this
5 subsection (5). The report must include the following information for each year of the biennium, contrasted with
6 the same information for the last-completed fiscal year and the fiscal year in progress:

7 (a) a schedule of estimated total bonded indebtedness for each university unit by bond indenture;

8 (b) a schedule of estimated revenue, expenditures, and fund balances by fiscal year for each outstanding
9 bond indenture, clearly delineating the accounts relating to each indenture and the minimum legal funding
10 requirements for each bond indenture; and

11 (c) a schedule showing the total funds available from each bond indenture and its associated accounts,
12 with a list of commitments and planned expenditures from the accounts, itemized by revenue source and project
13 for each year of the current and ensuing bienniums.

14 (6) (a) The department of revenue shall make Montana individual income tax information available by
15 removing names, addresses, and social security numbers and substituting in their place a state accounting record
16 identifier number. Except for the purposes of complying with federal law, the department may not alter the data
17 in any other way.

18 (b) The department of revenue shall provide the name and address of a taxpayer on written request of
19 the budget director when the values on the requested return, including estimated payments, are considered
20 necessary by the budget director to properly analyze state revenue and are of a sufficient magnitude to materially
21 affect the analysis and when the identity of the taxpayer is necessary to evaluate the effect of the return or
22 payments on the analysis being performed.

23 ~~(7) (a) The department of public health and human services' budget request for the 2013 biennium must~~
24 ~~identify changes necessary to reduce the 2013 biennium expenditures to the level funded in the general~~
25 ~~appropriations act. The department may include changes such as reducing administrative costs, developing more~~
26 ~~cost-efficient methods to deliver services, limiting the number of medicaid services that adults may receive,~~
27 ~~changing medicaid services included in the Montana medicaid state plan, changing eligibility or level-of-care~~
28 ~~requirements for medicaid waiver services, limiting or changing services that are fully state-funded, or~~
29 ~~implementing other initiatives that reduce state funds. Achieving the necessary general fund reduction in the 2013~~
30 ~~biennium budget request may not include shifting costs to state special revenue funds.~~

1 ~~—— (b) The department of public health and human services shall prepare a work plan with goals,~~
 2 ~~milestones, and measures to guide its review of alternatives to identify, evaluate, and select initiatives to reduce~~
 3 ~~ongoing state spending in its 2013 biennium budget submission. The department shall submit the work plan,~~
 4 ~~goals, milestones, and measures to the legislative finance committee at its first meeting after the adjournment~~
 5 ~~of the 2009 legislative session for its review and comment. The department shall provide an update of its budget~~
 6 ~~reduction for review and comment at each legislative finance committee meeting in a format developed with and~~
 7 ~~agreed upon by the committee.~~

8 ~~—— (8) Each agency budget request for the 2013 biennium must include the adjustments to present law base~~
 9 ~~specified in 17-7-102(10)(b)."~~

10

11 **Section 5.** Section 17-7-112, MCA, is amended to read:

12 **"17-7-112. Submission deadlines -- budgeting schedule.** The following is the schedule for the
 13 preparation of a state budget for submission to the legislature convening in the following year:

14 (1) By August 1, forms necessary for preparation of budget estimates must be distributed pursuant to
 15 17-7-111(2).

16 (2) (a) Except as provided in subsection (2)(b), by September 1, each agency shall submit the
 17 information required under 17-7-111 to the budget director.

18 (b) By September 1, the consolidated legislative branch shall submit a preliminary draft of the information
 19 required under 17-7-111 to the budget director. By October 10, the consolidated legislative branch shall submit
 20 the information required under 17-7-111 in final form to the budget director.

21 (3) By September 1, the budget director shall submit each state agency's budget request, except the
 22 budget request for the consolidated legislative branch, required under 17-7-111(3) to the legislative fiscal analyst.
 23 The transfer of budget information must be done on a schedule mutually agreed to by the budget director and
 24 the legislative fiscal analyst in a manner that facilitates an even transfer of budget information that allows each
 25 office to maintain a reasonable staff workflow.

26 (4) By October 10, the budget director shall furnish the legislative fiscal analyst with a preliminary budget
 27 reflecting the base budget in a format agreed upon by both the office of budget and program planning and the
 28 legislative fiscal analyst.

29 (5) By October 30, a budget request must be prepared by the budget director and submitted to the
 30 legislative fiscal analyst on behalf of any agency that did not present the information required by this section. The

1 budget request must be based upon the budget director's studies of the operations, plans, and needs of the
2 institution, university unit, or agency.

3 (6) By November 1, the budget director shall furnish the legislative fiscal analyst with a base budget and
4 an itemized list of present law base adjustments for each agency and a copy of the documents that reflect the
5 anticipated receipts and other means of financing the base budget and present law base adjustments for each
6 fiscal year of the ensuing biennium. The material must be in a format agreed upon by both the office of budget
7 and program planning and the legislative fiscal analyst.

8 ~~—— (7) By November 12, the budget director shall furnish the legislative fiscal analyst with the documents,~~
9 ~~in a format agreed upon by both the office of budget and program planning and the legislative fiscal analyst, that~~
10 ~~reflect expenditures to the second level, as provided in 17-1-102(3), by funding source and detailed by accounting~~
11 ~~entity.~~

12 ~~(8)(7)~~ By November 15, the proposed pay plan schedule and the statewide project budget summary
13 required by 17-7-111(4), a preliminary budget that meets the statutory requirements for submission of the budget
14 to the legislature, and a summary of the preliminary budget designed for distribution to members and
15 members-elect of the legislature must be submitted to the legislative fiscal analyst.

16 ~~(9)(8)~~ By December 15, the budget director shall submit a preliminary budget to the governor and to the
17 governor-elect, if there is one, as provided in 17-7-121, and shall furnish the legislative fiscal analyst with all
18 amendments to the preliminary budget.

19 ~~(10)(9)~~ By January 7, recommended changes proposed by a governor-elect must be transmitted to the
20 legislative fiscal analyst and the legislature as provided in 17-7-121."

21

22 **Section 6.** Section 17-7-123, MCA, is amended to read:

23 **"17-7-123. Form of executive budget.** (1) The budget submitted must set forth a balanced financial
24 plan for funds subject to appropriation, as provided in 17-8-101, for each ~~accounting entity~~ fund and for the state
25 government for each fiscal year of the ensuing biennium. The budget must consist of:

26 (a) a consolidated budget summary setting forth the aggregate figures of the budget in a manner that
27 shows a balance between the total proposed disbursements and the total anticipated receipts, together with the
28 other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the
29 corresponding figures for the last-completed fiscal year and the fiscal year in progress. The consolidated budget
30 summary must be supported by explanatory schedules or statements.

- 1 (b) budget and full-time equivalent personnel position comparisons by agency, program, and
2 appropriated funds for the current and subsequent biennium;
- 3 (c) the departmental mission and a statement of goals and objectives for the department;
- 4 (d) base budget disbursements for the completed fiscal year of the current biennium, estimated
5 comparable disbursements for the current fiscal year, and the proposed present law ~~base budget~~ adjustments
6 plus new proposals, if any, for each department and each program of the department;
- 7 (e) a statement containing recommendations of the governor for the ensuing biennium by program and
8 disbursement category, including:
- 9 (i) explanations of appropriation and revenue measures included in the budget that involve policy
10 changes;
- 11 (ii) matters not included as a part of the budget bill but included as a part of the executive budget, such
12 as the state employee pay plan, programs funded through separate appropriations measures, and other matters
13 considered necessary for comprehensive public and legislative consideration of the state budget; and
- 14 (iii) a summary of budget requests that include proposed expenditures on information technology
15 resources. The summary must include funding, program references, and a decision package reference;
- 16 (f) a report on:
- 17 (i) enterprise funds not subject to the requirements of subsections (1)(a) through (1)(e), including
18 retained earnings and contributed capital, projected operations and charges, and projected fund balances; and
- 19 (ii) fees and charges in the internal service fund type, including changes in the level of fees and charges,
20 projected use of the fees and charges, and projected fund balances. Fees and charges in the internal service fund
21 type must be approved by the legislature in the general appropriations act. Fees and charges in a biennium may
22 not exceed the level approved by the legislature in the general appropriations act effective for that biennium.
- 23 (g) energy cost saving information as required by 90-4-616 and energy conservation program information
24 as required by 90-4-606; and
- 25 (h) any other financial or budgetary material agreed to by the budget director and the legislative fiscal
26 analyst.
- 27 (2) The statement of departmental goals and objectives and the schedule as required in 17-7-111(3)(b)
28 for each fund of the executive budget are not required to be printed but must be available in the office of budget
29 and program planning and on the internet."
- 30

1 **Section 7.** Section 20-9-326, MCA, is amended to read:

2 **"20-9-326. Annual inflation-related adjustments to basic entitlements and per-ANB entitlements.**

3 (1) In preparing and submitting an agency budget pursuant to 17-7-111 and 17-7-112, the superintendent of
4 public instruction shall determine the inflation factor for the basic and per-ANB entitlements in each fiscal year
5 of the ensuing biennium. The inflation factor is calculated as follows:

6 (a) for the first year of the biennium, divide the consumer price index for July 1 of the prior calendar year
7 by the consumer price index for July 1 of the calendar year 3 years prior to the prior calendar year and raise the
8 resulting ratio to the power of one-third; and

9 (b) for the second year of the biennium, divide the consumer price index for July 1 of the current calendar
10 year by the consumer price index for July 1 of the calendar year 3 years prior to the current calendar year and
11 raise the resulting ratio to the power of one-third.

12 (2) The ~~present law~~ base budget for the basic and per-ANB entitlements, calculated under Title 17,
13 chapter 7, part 1, must consist of any enrollment increases or decreases plus the inflation factor calculated
14 pursuant to this section, not to exceed 3% in each year, applied to both years of the biennium.

15 (3) For the purposes of this section, "consumer price index" means the consumer price index, U.S. city
16 average, all urban consumers, for all items, using the 1982-84 base of 100, as published by the bureau of labor
17 statistics of the U.S. department of labor."

18

19 NEW SECTION. **Section 8. Effective date.** [This act] is effective July 1, 2013.

20

- END -