

SENATE BILL NO. 140

INTRODUCED BY L. JONES

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE METHODOLOGY FOR BUDGET COMPARISONS; PROVIDING A METHODOLOGY FOR 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 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.

(3) Expenditure comparisons must include the same attributes and methods of calculation. An expenditure of state resources may be accounted for only once in a 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 office of public defender. Expenditure comparisons of state resources to local government must include state expenditures for the district courts and the office of state public defender but not for the office of appellate 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 (1) "Current biennium" means the biennium during which the legislature is meeting in regular session.

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

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

5 (i) the general fund;

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

7 (iii) federal special revenue funds;

8 (iv) proprietary funds that require an appropriation;

9 ~~(v) long-range building program appropriations; and~~

10 ~~(vi) agency funds distributed to local governments.~~

11 (v) identified fund transfers to nonstate resources, not including the debt service fund type; and

12 (vi) the capital projects fund type.

13 (b) The term does not include:

14 (i) the debt service funds fund type;

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

16 ~~(iii) internal service or proprietary funds that do not require an appropriation;~~

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

18 ~~(v) enterprise funds;~~

19 ~~(vi)~~(iii) unrestricted or other university higher education funds;

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

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

22 ~~(ix)~~(iv) permanent funds;

23 ~~(x) pension trust funds;~~

24 ~~(xi)~~(v) noncash accounting entries; and

25 (vi) the fiduciary fund category.

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

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

29 **"17-7-151. Budget performance -- comparison.** (1) The measure of budget performance is the total

30 actual or estimated expenditure of state resources that reflects the cost of general government operations funded

1 ~~by taxes and fees~~ comparison contrasts appropriations for general government operations in one biennium to
 2 those in a different biennium.

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

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

13 (4) Budget comparisons must include the same attributes and methods of calculation. Items that are not
 14 appropriated at the beginning of a biennium, such as budget amendments, supplemental appropriations, and
 15 reappropriations, emergency appropriations, must be included in budget comparisons; but must be segregated
 16 and indicated as noncomparable items."
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18 NEW SECTION. Section 6. Codification instruction. [Sections 1 through 3] are intended to be codified
 19 as an integral part of Title 17, chapter 7, part 1, and the provisions of Title 17, chapter 7, part 1, apply to [sections
 20 1 through 3].
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22 NEW SECTION. Section 7. Termination. [Section 3] terminates June 30, 2025.
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