



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0330	Title:	Generally revise laws related to budget stability and managing volatility
Primary Sponsor:	Jones, Llew	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$30,000	\$20,000	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$30,000)</u>	<u>(\$20,000)</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 330 revises laws related to the budget stabilization reserve fund and fire suppression fund during times when 17-7-140 MCA is triggered, provides for a financial modernization and risk analysis study to be completed by the Legislative Finance Committee (LFC), and directs the LFC to conduct a study on long-term budget efficiency. The fiscal impact to the General Fund is \$50,000 for the 2023 biennium.

FISCAL ANALYSIS

Assumptions:

- HB 330 clarifies that during times when 17-7-140, MCA is triggered, the Governor may not reduce total agency spending in the biennium by more than 4% of the second year "general fund" appropriations for an agency.
- Currently, when 17-7-140, MCA is triggered, for each \$1 of expenditures that is reduced, \$2 from the budget stabilization fund and \$1 from the fire suppression fund is allowed to be transferred to the general fund (i.e. \$1 expenditure reduction allows for \$3 eligible for transfer). HB 330 maintains the \$2 budget stabilization reserve transfer for each \$1 in expenditure reduction, but proposes that only after the budget stabilization reserve fund is fully expended or fully encumbered and the governor determines more spending reductions are needed to address the projected general fund budget deficit, the governor may then transfer \$1 from the fire suppression fund for each additional \$1 of reduced expenditures (i.e. \$2 expenditure reduction allows for \$3 eligible for transfer).

3. HB 330 provides a \$50,000 appropriation to the Legislative Fiscal Division for additional LFC members and interim activities.
4. The \$50,000 appropriation will be used for meetings and travel for Sections 1, 3, and 4 of HB 330.
5. For the purposes of this fiscal note, it is assumed that there will be seven two-day meetings in Helena.
6. Salary for members will be \$5,770 for FY 2022 and \$3,847 for FY 2023.
7. Travel for all members and miscellaneous operating expenses will be \$24,230 for FY 2022 and \$16,153 for FY 2023.
8. The balance of the appropriation from section 7(3), Chapter 398, Laws of 2019, will be spent on meetings and travel to complete the study from HB 715 in the 2019 session.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$5,770	\$3,847	\$0	\$0
Operating Expenses	\$24,230	\$16,153	\$0	\$0
TOTAL Expenditures	<u>\$30,000</u>	<u>\$20,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$30,000	\$20,000	\$0	\$0
TOTAL Funding of Exp.	<u>\$30,000</u>	<u>\$20,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$30,000)	(\$20,000)	\$0	\$0

Technical Notes:

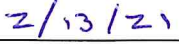
1. New Section 5 (3) states that "... all remaining general fund appropriation authority from section 7(3), Chapter 398, Laws of 2019, from the general fund to the legislative fiscal division..." This section refers to authority budgeted for in the 2021 biennium in Program 21 (Legislative Committees & Activities). The appropriation from section 7(3) was part of the 2023 present law budget request, so the whole section should be struck.
2. New Section 5 (1): "...for the additional legislative finance committee member and interim activities." The word "member" needs to be plural.



 Sponsor's Initials Date



 Budget Director's Initials



 Date