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HOUSE BILL NO. 722

INTRODUCED BY M. REGIER, T. MOORE, B. USHER

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT THE JUDICIAL BRANCH BUDGET REQUEST INCLUDE EACH DISTRICT COURT PROGRAM BUDGET REQUEST SEPARATELY; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING THAT THE PROPOSED TOTAL OF EACH DISTRICT COURT BUDGET IS SEPARATE AND APPROVED INDIVIDUALLY BY THE LEGISLATURE PRESENTED SEPARATELY; AND AMENDING SECTIONS 3-1-702, 3-1-1601, ~~3-5-901~~, AND 17-7-111, MCA."

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

Section 1. Section 3-1-702, MCA, is amended to read:

"3-1-702. Duties. The court administrator is the administrative officer of the court. Under the direction of the supreme court, the court administrator shall:

- (1) prepare and present judicial budget requests to the legislature, including the costs of the state-funded district court program with the budgets of total amounts for each state district court program presented separately and included separately as provided in 17-7-111;
- (2) collect, compile, and report statistical and other data relating to the business transacted by the courts and provide the information to the legislature on request and, if requested, in accordance with 5-11-210;
- (3) to the extent possible, provide that current and future information technology applications are coordinated and compatible with the standards and goals of the executive branch as expressed in the state strategic information technology plan provided for in 2-17-521;
- (4) recommend to the supreme court improvements in the judiciary;
- (5) administer legal assistance for indigent victims of domestic violence, as provided in 3-2-714;
- (6) administer state funding for district courts, as provided in chapter 5, part 9;
- (7) administer the pretrial program provided for in 3-1-708;
- (8) administer the treatment court support account provided for in 46-1-1115;
- (9) administer the judicial branch personnel plan;~~and~~

1 (10) provide quarterly reports to the legislative finance committee, in accordance with 5-11-210, on
2 all expenditures in the previous quarter for:

3 (a) each of the categories in 3-5-901 for each district court; and

4 (b) a description of the expenditures on items not included in 3-5-901; and

5 ~~(10)(11)~~ perform other duties that the supreme court may assign."
6

7 **Section 2.** Section 3-1-1601, MCA, is amended to read:

8 **"3-1-1601. District court council -- administration of state funding of district courts.** (1) The
9 district court council shall adopt policies, and procedures, and ~~submit budgets for each district court passed by~~
10 ~~the legislature the total amount for each district court's budget for inclusion in the budget pursuant to 17-7-122~~
11 to administer the state-funded district court program as established in 3-5-901.

12 (2) The court administrator appointed under 3-1-701 shall administer the policies and procedures
13 adopted under this section.

14 (3) Money appropriated for the district court program may not be used for any other purpose."
15

16 **Section 3.** Section ~~3-5-901~~, MCA, is amended to read:

17 ~~"3-5-901. State assumption of district court expenses.~~ (1) ~~There is a state funded district court~~
18 ~~program under the judicial branch. Under this program, the office of court administrator shall fund all district~~
19 ~~court costs, except as provided in subsection (3) as budgeted for each district court by the legislature. These~~
20 ~~costs include but are not limited to the following:~~

21 ~~(a) salaries and benefits for:~~

22 ~~(i) district court judges;~~

23 ~~(ii) law clerks;~~

24 ~~(iii) court reporters, as provided in 3-5-601;~~

25 ~~(iv) juvenile probation officers, youth division offices staff, and assessment officers of the youth~~
26 ~~court; and~~

27 ~~(v) other employees of the district court;~~

28 ~~(b) in criminal cases;~~

- 1 ~~(i) — fees for transcripts of proceedings, as provided in 3-5-604;~~
- 2 ~~(ii) — witness fees and necessary expenses, as provided in 46-15-116;~~
- 3 ~~(iii) — juror fees and necessary expenses;~~
- 4 ~~(iv) — for a psychiatric examination under 46-14-202, the cost of the examination and other~~
- 5 ~~associated expenses, as provided in 46-14-202(4); and~~
- 6 ~~(v) — for commitment under 46-14-221, the cost of transporting the defendant to the custody of the~~
- 7 ~~director of the department of public health and human services to be placed in an appropriate facility of the~~
- 8 ~~department of public health and human services and of transporting the defendant back for any proceedings, as~~
- 9 ~~provided in 46-14-221(5);~~
- 10 ~~(c) — except as provided in 47-1-119, the district court expenses in all postconviction proceedings~~
- 11 ~~held pursuant to Title 46, chapter 21, and in all habeas corpus proceedings held pursuant to Title 46, chapter~~
- 12 ~~22, and appeals from those proceedings;~~
- 13 ~~(d) — except as provided in 47-1-119, the following expenses incurred by the state in federal habeas~~
- 14 ~~corpus cases that challenge the validity of a conviction or of a sentence:~~
- 15 ~~(i) — transcript fees;~~
- 16 ~~(ii) — witness fees; and~~
- 17 ~~(iii) — expenses for psychiatric examinations;~~
- 18 ~~(e) — except as provided in 47-1-119, the following expenses incurred by the state in a proceeding~~
- 19 ~~held pursuant to Title 41, chapter 3, part 4 or 6, that seeks temporary investigative authority of a youth,~~
- 20 ~~temporary legal custody of a youth, or termination of the parent-child legal relationship and permanent custody:~~
- 21 ~~(i) — transcript fees;~~
- 22 ~~(ii) — witness fees;~~
- 23 ~~(iii) — expenses for medical and psychological evaluation of a youth or the youth's parent, guardian,~~
- 24 ~~or other person having physical or legal custody of the youth except for expenses for services that a person is~~
- 25 ~~eligible to receive under a public program that provides medical or psychological evaluation;~~
- 26 ~~(iv) — expenses associated with appointment of a guardian ad litem or child advocate for the youth;~~
- 27 ~~and~~
- 28 ~~(v) — expenses associated with court-ordered alternative dispute resolution;~~

1 ~~(f) — except as provided in 47-1-119, costs of juror and witness fees and witness expenses before a~~
2 ~~grand jury;~~

3 ~~(g) — costs of the court sanctioned educational program concerning the effects of dissolution of~~
4 ~~marriage on children, as required in 40-4-226, and expenses of education when ordered for the investigation~~
5 ~~and preparation of a report concerning parenting arrangements, as provided in 40-4-215(2)(a);~~

6 ~~(h) — except as provided in 47-1-119, all district court expenses associated with civil jury trials if~~
7 ~~similar expenses were paid out of the district court fund or the county general fund in any previous year;~~

8 ~~(i) — all other costs associated with the operation and maintenance of the district court, including~~
9 ~~contract costs for court reporters who are independent contractors; and~~

10 ~~(j) — costs associated with the operation and maintenance of the youth court and youth court~~
11 ~~division operations pursuant to 41-5-111 and subsection (1)(a) of this section, except for those costs paid by~~
12 ~~other entities identified in Title 41, chapter 5.~~

13 ~~(2) — If a cost is not paid directly by the office of court administrator, the county shall pay the cost~~
14 ~~and the office of court administrator shall reimburse the county within 30 days of receipt of a claim.~~

15 ~~(3) — For the purposes of subsection (1), district court costs paid by the office of court administrator~~
16 ~~do not include:~~

17 ~~(a) — costs for clerks of district court and employees and expenses of the offices of the clerks of~~
18 ~~district court;~~

19 ~~(b) — costs of providing and maintaining district court office space; or~~

20 ~~(c) — charges incurred against a county by virtue of any provision of Title 7 or 46."~~

21
22 **Section 3.** Section 17-7-111, MCA, is amended to read:

23 **"17-7-111. Preparation of state budget -- agency program budgets -- form distribution and**
24 **contents.** (1) (a) To prepare a state budget, the executive branch, the legislature, and the citizens of the state
25 need information that is consistent and accurate. Necessary information includes detailed disbursements by
26 fund type for each agency and program for the appropriate time period, recommendations for creating a
27 balanced budget, and recommended disbursements and estimated receipts by fund type and fund category.

28 (b) Subject to the requirements of this chapter, the budget director and the legislative fiscal analyst

1 shall by agreement:

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

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

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

14 (3) The agency budget request must set forth a balanced financial plan for the agency completing
15 the forms for each fiscal year of the ensuing biennium. The plan must consist of:

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

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

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

1 attaining its goals and objectives.

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

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

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

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

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

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

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

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

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

23 (4) The budget director shall prepare and submit to the legislative fiscal analyst in accordance with
24 17-7-112:

25 (a) detailed recommendations for capital developments for:

26 (i) local infrastructure projects;

27 (ii) funding for energy development-impacted areas; and

28 (iii) the state long-range building program. Each recommendation for the capital developments

1 long-range building program must be presented by institution, agency, or branch, by funding source, with a
2 description of each proposed project.

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

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

7 (d) agency proposals for the use of cultural and aesthetic project grants under Title 22, chapter 2,
8 part 3, the renewable resource grant and loan program under Title 85, chapter 1, part 6, the reclamation and
9 development grants program under Title 90, chapter 2, part 11, and the Montana coal endowment program
10 under Title 90, chapter 6, part 7.

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

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

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

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

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

26 (b) The department of revenue shall provide the name and address of a taxpayer on written
27 request of the budget director when the values on the requested return, including estimated payments, are
28 considered necessary by the budget director to properly analyze state revenue and are of a sufficient

Amendment - 1st Reading-white - Requested by: Bill Mercer - (H) Appropriations

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1 magnitude to materially affect the analysis and when the identity of the taxpayer is necessary to evaluate the
2 effect of the return or payments on the analysis being performed.

3 (7) The following provisions apply to the development of the budget request for the department of
4 public health and human services:

5 (a) Adjustments to the present law base must be separated by each category described in 17-7-
6 102(10) in order for the legislature to determine the changes that are attributable to legally mandated workload,
7 caseload, or enrollment increases or decreases, constitutional or statutory schedules or formulas, inflationary or
8 deflationary adjustments, and elimination of nonrecurring appropriations.

9 (b) Inflation adjustments to the present law base for the institutions or services described in
10 subsection (7)(c) must be based on a reliable national index for the particular service or a similar service or the
11 consumer price index for urban wage earners and workers. An inflation adjustment that is greater than the
12 applicable national index or consumer price index must be presented as a new proposal.

13 (c) Subsection (7)(b) applies to inflation adjustments for:

14 (i) the department-operated institutions described in 53-1-602; and

15 (ii) services provided by private sector businesses and other entities that provide direct services to
16 beneficiaries in medicaid programs that are administered by the department divisions responsible for
17 overseeing services for the elderly and for persons with mental illness, physical disabilities, or developmental
18 disabilities.

19 (8) The judicial branch shall submit its proposed budget ~~along with with, among other items,~~ the
20 proposed total budgets ~~of for~~ each state district court program presented separately and included separately."

21 - END -