

Implementing Statutory Changes to the Finance Act Vision & Next Steps

Amy Carlson
Legislative Fiscal Analyst
Director of the Legislative Fiscal Division





Legislative Administration

Council

Finance

Audit

House

Senate

Legal &
Research

Central
Services

Fiscal
Division

Audit
Division

Staff

Staff

Changes to Legislative Finance Act

Interim Budget Committees

Modernization and Risk Assessment (MARA)

HB 110

Interim Budget Committees

Section 1. Section 5-12-301, MCA, is amended to read:

"5-12-301. Legislative fiscal division. There is a legislative fiscal division. The legislative fiscal analyst shall manage the legislative fiscal division to support the legislative finance committee and the interim budget committees identified in 5-12-501 and carry out the provisions of this chapter."

Section 2. Section 5-12-501, MCA, is amended to read:

"5-12-501 ~~(Temporary)~~ Interim budget committees. (1) During an interim when the legislature is not in session, the committees listed in subsection (2) are the interim budget committees of the legislature.

They are empowered to sit as committees and may act in their respective areas of responsibility.

(2) The following are the interim budget committees of the legislature:

(a) general government budget committee to oversee the budget activities of the department of administration, department of military affairs, department of commerce, state auditor's office, governor's office, secretary of state, commissioner of political practices, department of revenue, department of labor and industry, legislative branch, and consumer counsel;

(b) health and human services budget committee to oversee the budget activities of the department of public health and human services;

(c) natural resources and transportation budget committee to oversee the budget activities of the

Interim Budget Committees Permanent

- Have filled a gap for legislators to understand and work with the Executive
 - Evolving role
 - Can overlap missions with Interim Committees
-
- New responsibilities - The LFD staffs many more committees

HB 140

MARA

Significant Change to Legislative Finance Act

Purpose

Section 4. Section 5-12-101, MCA, is amended to read:

"5-12-101. Title and purpose of chapter. (1) This chapter may be cited as "The Legislative Finance and Data Analytics Act".

(2) Because the legislature is responsible for appropriating public funds, it ~~must~~ shall provide for fiscal analysis of state government to accumulate, compile, analyze, and furnish ~~such information bearing upon~~ on the financial matters of the state that is relevant to issues of policy and questions of statewide importance.

(3) Because the legislature is responsible for providing a comprehensive system of efficient governance, policy, and appropriations for the state and its political subdivisions, including local governments and schools, analysis of data across all aspects of government revenues, services, and funding is essential.

(4) Because the laws enacted by the legislature remain unless later changed by the legislature, appropriations may impact future generations, and tax and other law changes may impact the state's economy, the legislature needs a data tool to evaluate the impacts of legislation on future generations. The tool should be derived from reliable data sets and numeric in nature to allow the legislature to evaluate different assumptions



HB 140

MARA Significant Change to Legislative Finance Act

Interaction with other Committees

(c) an interim committee chairperson and vice chairperson of opposite parties as temporary voting members of the committee. The presiding officer of the modernization and risk analysis committee shall invite



- 1 -

Authorized Print Version – HB 140

ENROLLED BILL

2023
3th Legislature 2023

HB0140

the two members based on the relevance at least one of the topics of the upcoming meeting to the subject matter under the jurisdiction of a specific interim committee. If the chairperson or vice chairperson of the interim committee is unable to attend, the chairperson or vice chairperson may designate a member of the interim committee. The interim committee chairperson and vice chairperson must be invited at least 30 days prior to the meeting date.

HB 140

MARA Significant Change to Legislative Finance Act

Interaction with other Committees and the public

(b) issue and, at the committee's discretion, accept invitations to work with interim committees on various data and analytic research projects;

(c) provide direction to the legislative fiscal division on the direction and priorities of data work of the division;

(d) create data sets and models for future analysis by the legislature, and

(e) take affirmative measures to use and disseminate data generated by and for the committee for educating, training, and increasing the competency of the public.

Fiscal
Division &
Finance &
Data
Analytics
Act
Mission in
Support of
the
Legislature



Navigate



Explore

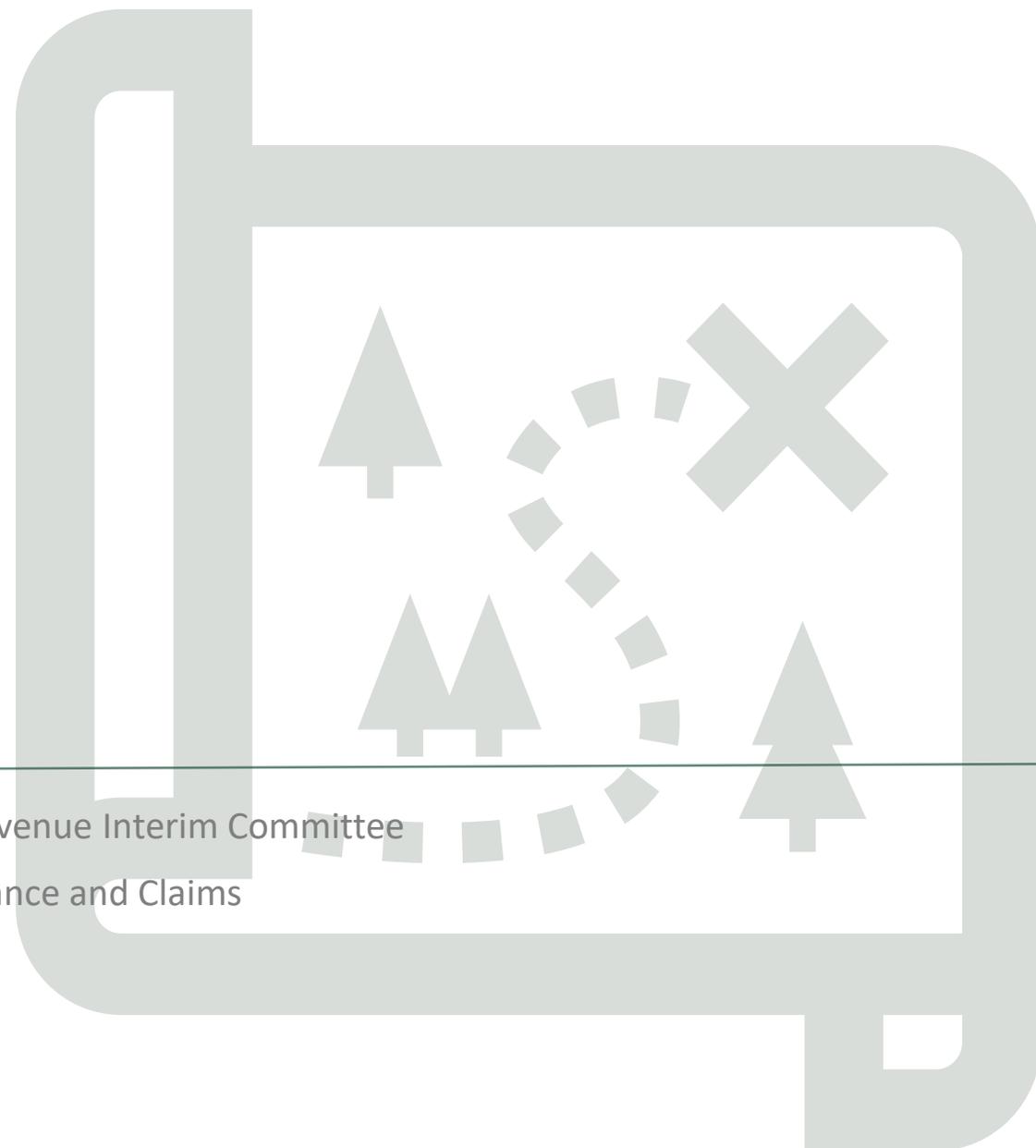
But really it is the whole team, the researchers and attorneys work with us too, and we are starting to work with them to define this better.

Navigate

Legislative Finance Committee and Revenue Interim Committee

House Appropriations and Senate Finance and Claims

House and Senate Tax Committees





Navigating Revenues & Expenditures – Focus on Next Few Years



Navigating Revenues Questions

- What are the historical trends of revenue?
- What has it been used for?
- What will revenues be in the next few years?

Navigating Expenditures Questions

- What services have been provided in the past?
- What funds have we used to provide those services?
- What are the demands for new services?
- How could the legislature pay for them in the future?



Explore

Modernization and Risk Analysis Committee (MARA)

Interim Committees & Policy Committees



Changing Relationships Between People, Economy, Land, & Technology

Focus on Future Generations & Interconnectedness

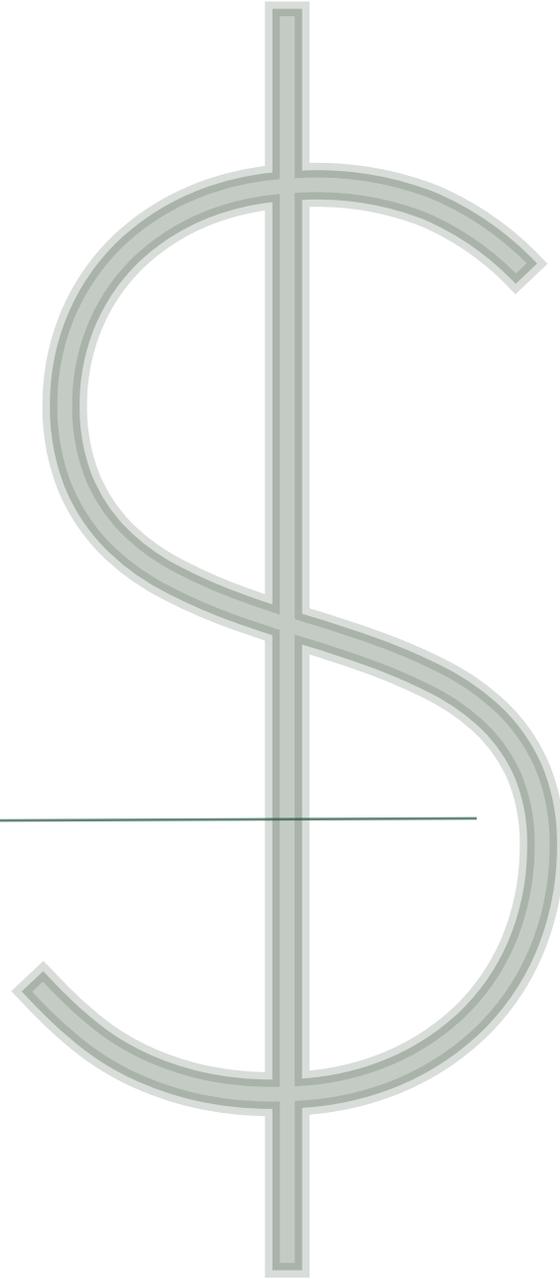
Exploring

- Builds on skills of navigating (*and skills of others in the branch*)
- Broader questions that engage a wider range of people

Exploring Questions

- How will changing land use affect use of services?
- How will increases in populations affect the tax structure?
- What is the interaction between education and the economy?
- What data is available to help determine the best strategy for addressing service needs?
- How will changing federal funding impact federally funded services?

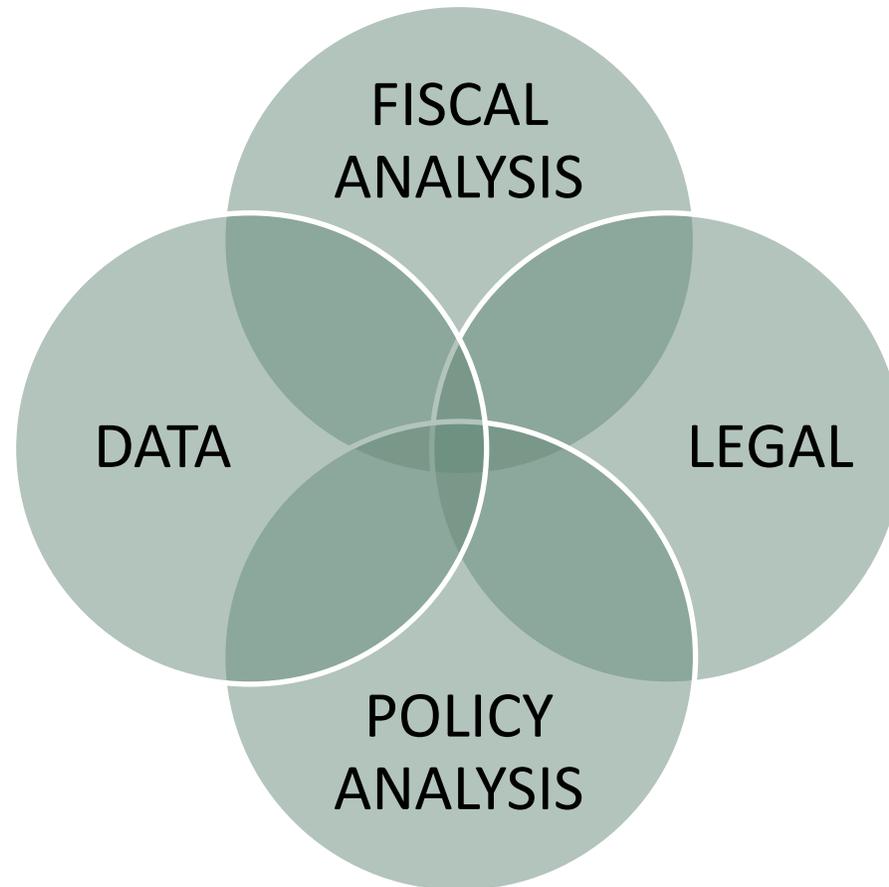
Legislative Fiscal



Need to update this mission statement to reflect law changes. The LFD will reach out to the LFC members, and other Branch staff and legislators to set our vision and mission within the greater Branch vision.

The Legislative Fiscal Division provides non-partisan budget and data analysis to the Montana Legislature, so all lawmakers have objective, accurate, and relevant information to make state financial decisions.

Working with Research and Legal to Determine Relationships & Roles



As we get
closer to
the target,
the path is
clearer...
but we
can't quite
see how to
get to the
top.



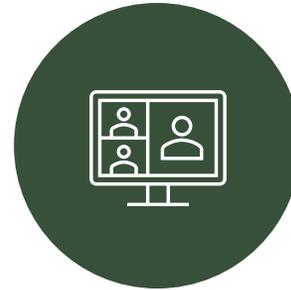
Ideas for the Path Forward



Next Steps



Continue meeting with Research and Attorney staff to generate ideas to develop plans and processes



Outreach to all legislators on data tools available and specific topics of interest – Zoom primarily, but also in person

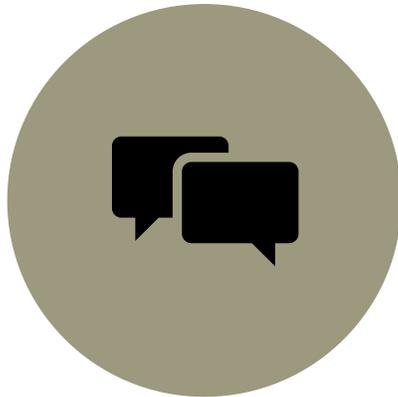


Outreach to interim committees as requested by any group, most commonly by MARA



Possible - Legislative Week in late June 2024

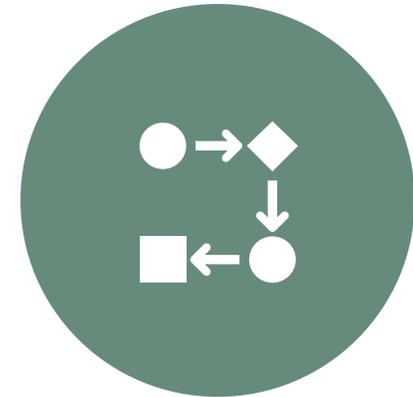
Working with Researchers and Legal



DISCUSS BEST APPROACHES
TO WORKING TOGETHER



PLAN JOINT PRODUCTS LIKE
THE CURATED LIBRARIES



DISCUSS/PLAN JOINT DATA
PROJECTS

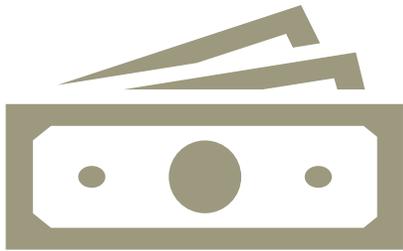
Outreach to Interim Committees

- Assigned Josh Poulette to organize and coordinate on overall communication/coordination with research
- Library development
- Presentations to Revenue Interim Committee and Children and Families at their request
- Invited committees per statute: RIC, Local Government, Children and Families, Energy, Education, Law and Justice

Outreach to All Legislators

- Libraries curate resources of the Research, Legal, Fiscal, Data, and outside resources – first one is Property Tax Library
- Zoom Training on current topics of interest throughout the year
- Fiscal in person tours of state ~ once per year

Possible Legislative Week 2024 – Bringing Policy and Budget Together



**Budget Outlook for
the 2027 Biennium**



**Share progress of
all Legislative Interim work**

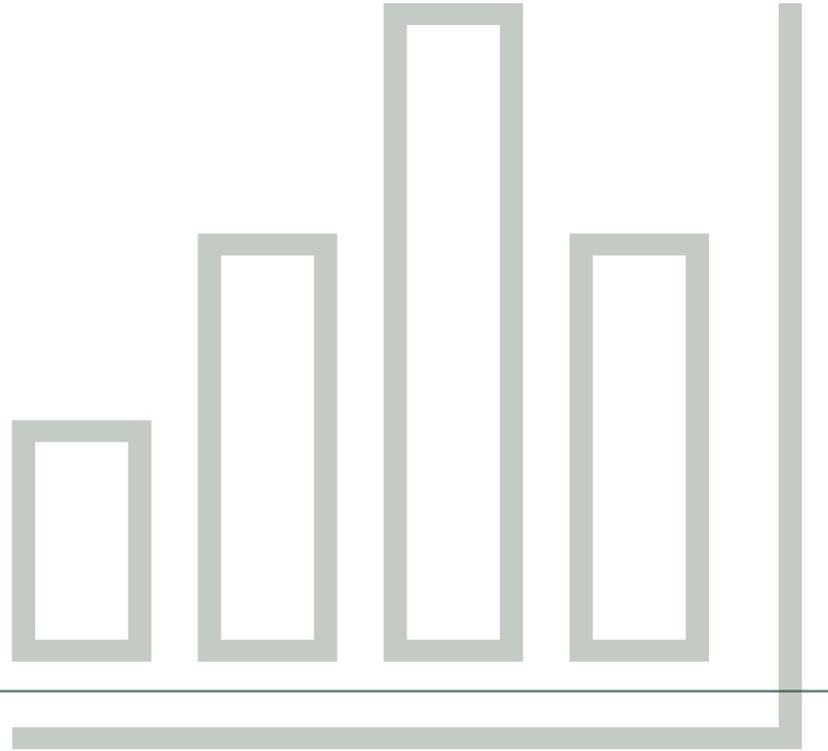
Interim Committees

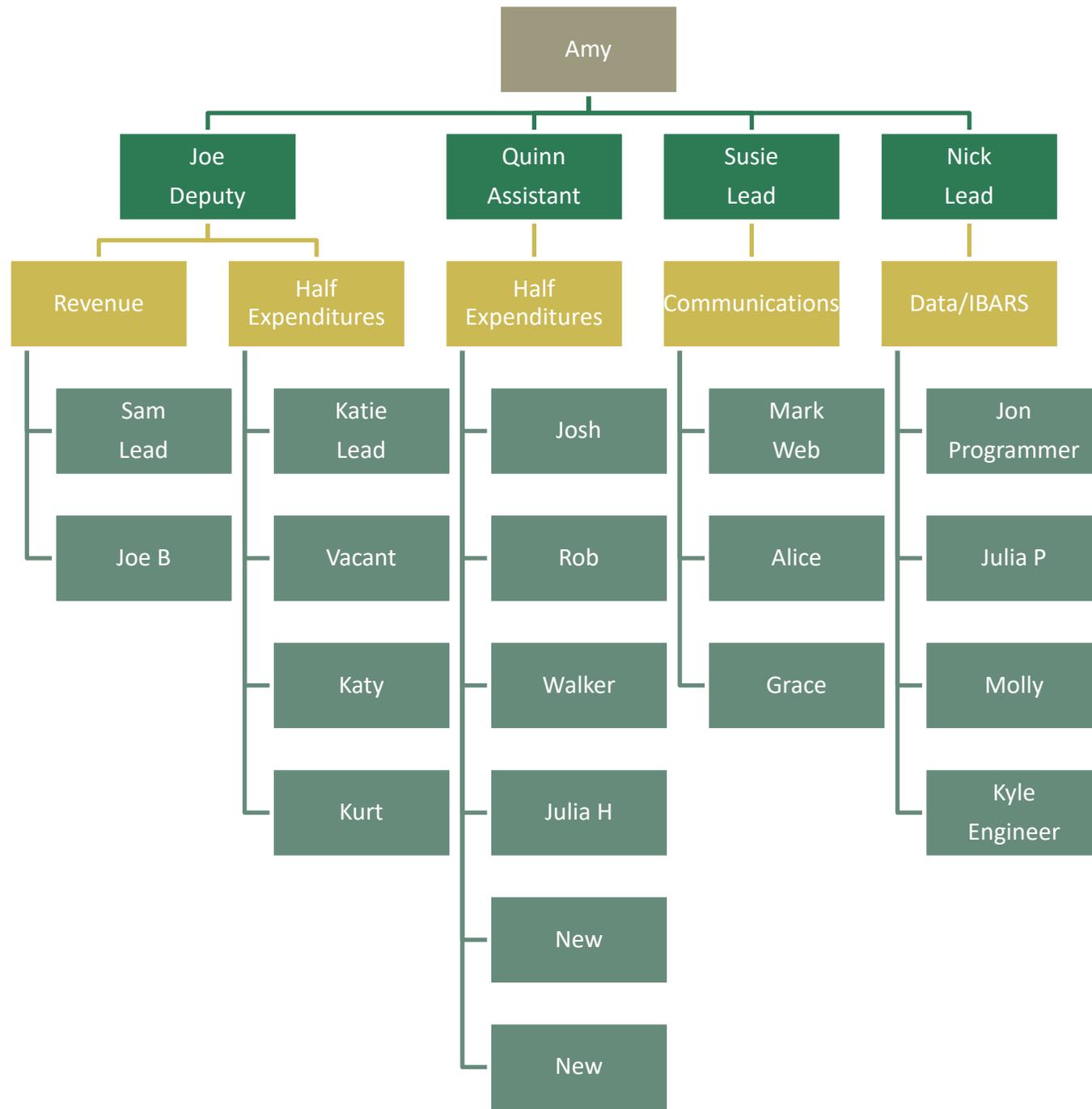
Administrative Committees

Other Committees and Commissions

LFD Structure

.... and matrix management





Taxable Value Growth for Selected Counties Between FY 2016 (TY 2015) and FY 2024 (TY 2023)

Taxable Value Growth for Selected Montana Counties

