

State and Local Government Financial Sustainability

October 2019



Observations from
analysis and questions
June through December

Analysis of possible
solutions
January through Sept

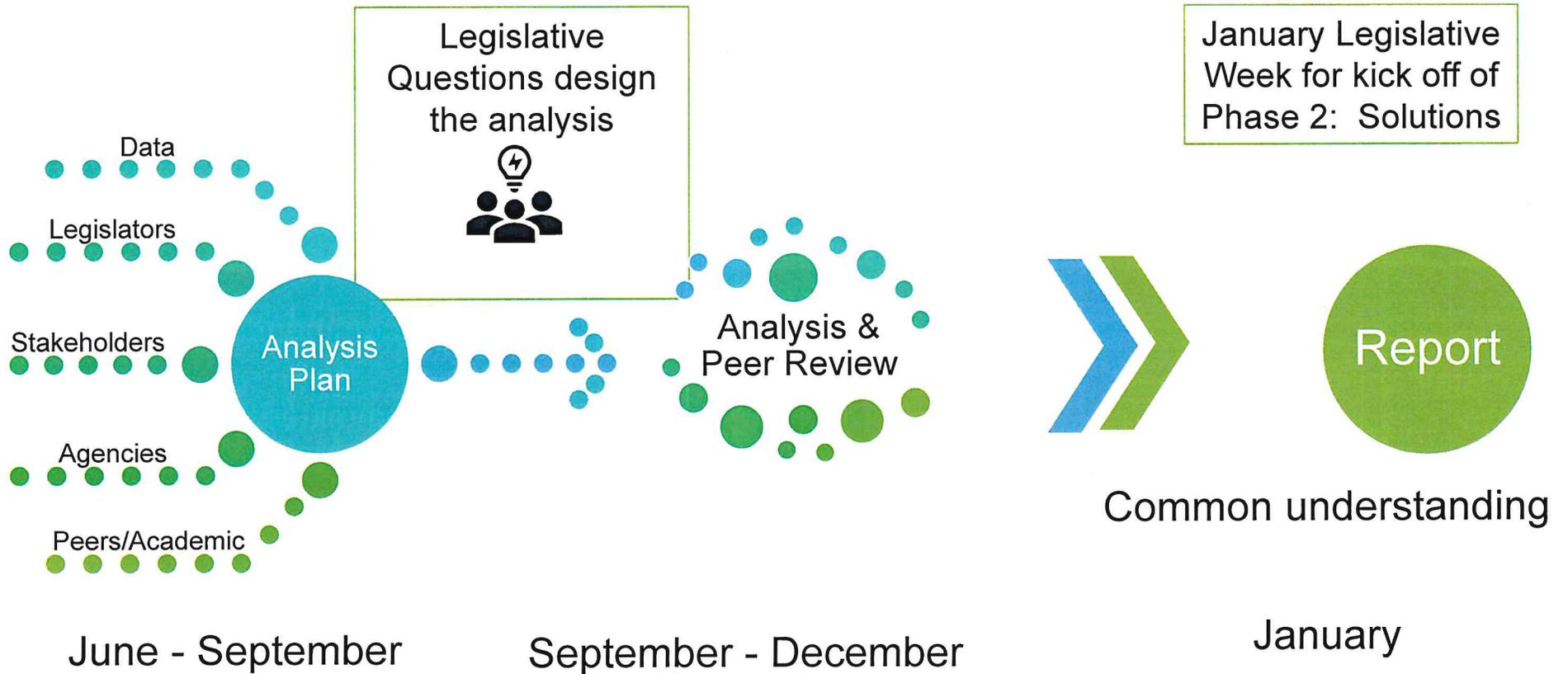
Phase 1: Long-term
Sustainability/Stabilization
LFC/Interim Committees

Phase 2: Solution
analysis
Interim
Committees/LFC-MaRA

Recommendations:
Interim
Committees/LFC-
MaRA

MaRA - Financial Modernization and
Risk Analysis Study Committee in HB
715

Phase 1: HB 715 Timeline



Phase 1: HB 715 Sustainability

State of Montana

(including political subdivisions)

Risk: Pension funding, Natural Resource economy, Federal funding

State

Local

Revenue

Expense

Revenue

Expense

State and Local Financial Stability

HB 715, section 6, authorizes the LFC to direct a study of state and local government fiscal and economic conditions. The study may include analysis of financial risk factors on state and local budgets including pensions, federal funding, and the natural resource economy.

The study includes analysis of the past 20 years and a projection of the next 10 years. Supporting work will add to a deeper understanding of financial sustainability.

Examples of additional work include a study of property tax trends and effective tax rates; infrastructure funding and requirements; and if possible, income tax collections and the impact of demographic trends.

