State and Local Government Financial Sustainability

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

- Legislative Questions design the analysis
- Analysis Plan
- Analysis & Peer Review
- Data
- Legislators
- Stakeholders
- Agencies
- Peers/Academic

June - September
September - December

January Legislative Week for kick off of Phase 2: Solutions
Report
Common understanding
January
Phase 1: HB 715 Sustainability

State of Montana
(including political subdivisions)

Risk: Pension funding, Natural Resource economy, Federal funding

State
Revenue
Expense
Local
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.