



Local Government Interim Committee 66th Montana Legislature

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To : Members of the Local Government Interim Committee
From: Julie Johnson, Legislative Attorney
Re: Local Government Center Creation and Funding History
Date: March 4, 2020

This memo is intended to provide a history on the creation of the Local Government Center and its recent funding sources.¹

The Local Government Center (LGC) was created in 1985. Both the Local Government Center and the Bureau of Government Research² were established in House Bill No. 299 in the 1993 legislative session. The Local Government Center is codified at Section 20-25-237, MCA, and provides:

Local government center — purpose — funding. (1) There is a local government center at Montana state university-Bozeman. The purpose of the center is to strengthen the capacities of Montana's local governmental units to deliver essential services efficiently and to provide training, technical assistance, and research to local officials.

(2) The local government center may:

- (a) receive and administer gifts, donations, and bequests;
- (b) contract with individuals, organizations, and governmental agencies for cooperative endeavors; and
- (c) apply for and receive grants from public and private agencies.

The statute has been amended once to reflect the name change from "Montana state university" to "Montana state university-Bozeman". (Sec. 36, Ch. 308, L. 1995).

Prior to 2009, the LGC was located in the Department of Political Science, College of Letters and Science at MSU. Due to budget reductions in 2008 and 2009, the college decided it could no longer fund the LGC through base budgets and student tuition and requested that MSU

¹ This memo refers to much of the information provided in Dan Clark's memo dated October 22, 2019, and presented to the LGIC at its November 12, 2019 meeting.

² The Bureau of Government Research is codified at 20-25-207, MCA.

Extension become the administrative unit to provide funding and oversight.³

The 2009 Legislature passed House Bill No. 645, which appropriated federal stimulus and recovery funds. HB 645 included a \$150,000 general fund appropriation in each year of the biennium restricted to the LGC. The 2011 Legislature did not appropriate any general fund to the LGC; however, MSU administration allocated funding to the LGC on a one-time-only basis for the 2012-2013 biennium.

The 2013 Legislature provided the LGC a \$100,000 general fund appropriation in each year of the biennium in House Bill 2, designated as one-time-only funding. The 2015 Legislature provided the LGC a \$90,000 general fund appropriation in each year of the biennium in House Bill 2, also designated as one-time-only funding. In 2017, the general fund appropriation for the LGC was included in the base funding for the Montana State University's Extension center at \$171,000 per year. This funding was not modified by the 2019 Legislature.

The LGC operates with 3.45 FTE and a total annual operating budget of \$301,345. A little over half of its funding is from the general fund appropriated by the Legislature, which pays for the salaries of the Director and a full-time Associate Training Specialist, and a portion of the Program Manager's salary. Approximately a quarter of its funding is from MSU Extension and another quarter is from the fees it charges local governments for its services, and these combined sources pay for a 0.6 FTE and its other operating expenses.

³ This paragraph is from the October 2019 Clark memo.