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Local Government Interim Committee

66th Montana Legislature

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September 9, 2020

DRAFT LETTER PROPOSAL FOR CONSIDERATION

Chairman Casey Schreiner
Montana Legislative Council
Capitol Building
Helena, MT 59601

Re: Entitlement share training at legislator orientation

Chairman Schreiner and members of the Legislative Council,

The Local Government Interim Committee asks that you require training be offered on the local government entitlement share funding mechanism at this session's legislator orientation. The committee appreciates the inclusion of the training at the last orientation and asks that the training be considered a regular addition to all future orientations for the life of the funding mechanism.

As statutorily directed in 5-5-232, MCA, the Local Government Interim Committee acts as liaison between local governments and the state and provides a forum for discussing and promoting intergovernmental cooperation. The entitlement share funding mechanism is one of the best examples of cooperation and understanding between state lawmakers and local elected officials since various local revenue sources are retained at the state level while local governments receive an entitlement share payment to replace the revenue.

The funding mechanism was created in 2001, and, over time, the depth and breadth of knowledge related to the complex system has steadily declined. Since many, if not all, local governments depend on the revenue originally dedicated to them through this "handshake" agreement, it is imperative that legislators understand the history, purpose, and function of the funding mechanism when contemplating future fiscal decisions that may impact entitlement share and thus local governments.

The Local Government Interim Committee asks that its staff be allowed to develop and deliver the training and that the training be available to all legislators, but especially those legislators who have an interest in serving on the House Appropriations or Senate Finance and Claims committees.

Regards,

Margie MacDonald, Chairwoman

Geraldine Custer, Vice Chair