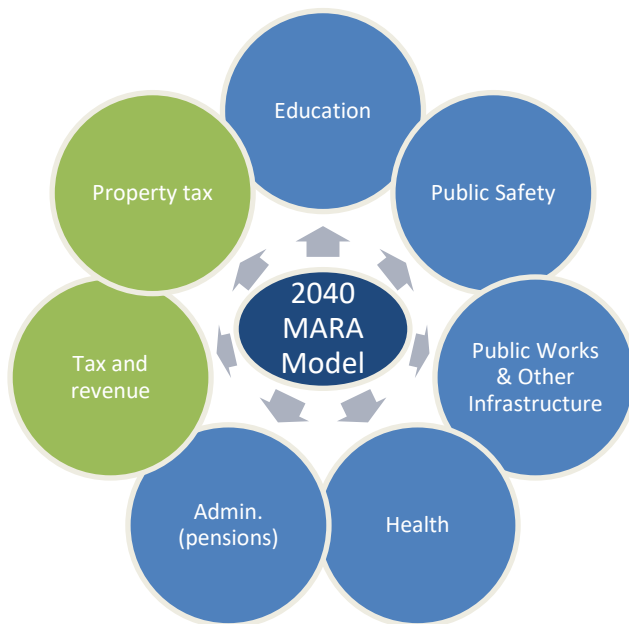


LOCAL GOVERNMENT MODULE

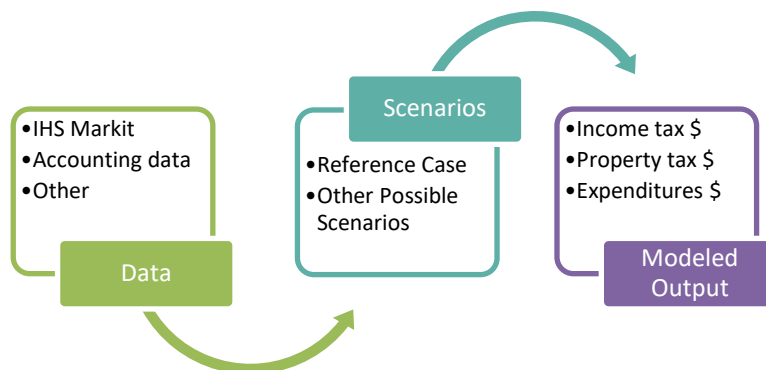
The 2040 MARA model will be broken into “modules”. The modules reflect different aspects of the revenues and expenditures of state government, local government, and school districts. The diagram below shows the revenue components in green and the expenditure components in blue. Local government expenditures will be developed in the public safety, public works and other modules. The property taxes for local governments will use the expenditure forecast to determine necessary property taxes. The property tax module will incorporate impacts from all taxing jurisdictions for impacts on taxpayers.

Modules



Data Driven

All modules will rely on a consistent set of data used to keep the model assumptions consistent through all modules. Examples are econometric data from IHS Markit, Regional Economic Models, Inc (REMI), and others. The graphic depicts the flow of data into the model, scenarios, and the modeled outputs.



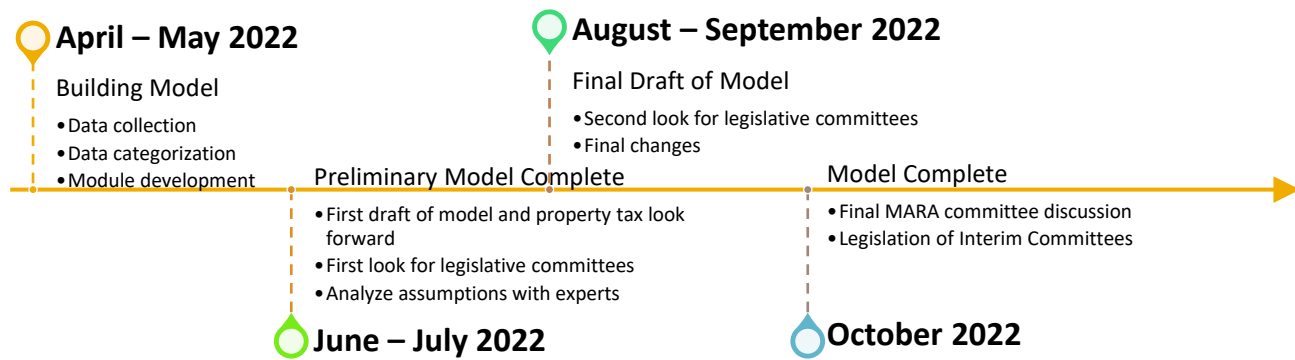
Local Government Specific Process

The local government module process will begin with the following tasks:

- Gather these data:
 - past 20 years of local government revenues and expenditures by fiscal year
 - Department of Administration accounting data submitted by the local governments in electronic form
 - Property tax levies and fees from the Department of Revenue
 - Salaries by the units of government from the pension systems
 - Entitlement share by unit
- Reach out to stakeholders: League of Cities and Towns, Montana Association of Counties, Departments of Natural Resources and Conservation and Environmental Quality, Local Government Interim Committee, Sections C & F Interim Budget Committees
- Input from experts from [ECONorthwest](#)

Analysis: evaluate the data with ideas from stakeholders and experts, consider how to incorporate changes in technology, population, etc. into the module.

Timeline for Completion



The first draft of the model will be available in June. Additional legislator, stakeholder, and expert feedback will be sought during the summer months for suggested improvements to the model. The final version of the model is expected in early September. If you have questions about the modules or final model, or would like to provide feedback, please contact Susie Lindsay at slindsay@mt.gov.