

Pensions & Local Government Subcommittee

Findings & Recommendations

Findings

Office of Public Defender

- The subcommittee studied the impact of local ordinances on the budget of OPD and did not find local ordinances to be a significant cost driver for the Office of Public Defender. The Office of Public Defender (OPD) is commended for their efforts to control the budget and likely will not need a supplemental appropriation as we enter the next session. We do note that there are a number of uncontrollable cost factors that make determining the size of risk in this budget very difficult.

Recommendations

Infrastructure

- It is the subcommittee's recommendation that the document [Montana Local Government Infrastructure \(Construction and Planning\) State Funding Programs](#) be located online for reference. This document should also be included as a brochure or training piece for all legislators during the orientation prior to the 2021 Legislative session and each session thereafter
- This document should be updated at least biennially.

Entitlement Share

- The subcommittee recommends the Legislative Finance Committee consider a study bill on the entitlement share during the next interim. We suggest this study bill be a topic studied separately from other interim studies. A "commission" style format with broad representation, including non-legislators, and a budget of its own is recommended.
- The subcommittee recommends discussions between the Legislative Finance Committee and Local Government interim committee on the make-up of the potential committee if a study bill is LFC's conclusion.

Pensions

- Pensions are a sizeable portion of the state's budget (nearing \$180 million annually) and a more robust system of oversight should be established to reflect the legislature's responsibility.
- In furthering communications between policy and budget committees, the subcommittee recommends that LFC and SAVA combine efforts to oversee the pensions. We recommend that

the SAVA Committee continues to take the lead but the LFC should have representation on, or have a member act as a liaison to, SAVA in future pension matters.

- The subcommittee recommends the Legislative Finance Committee consider hiring an actuary to assist in creating, and consulting on, a system of defining when action, by the legislature, is advised regarding pension health. This actuary would not regularly duplicate the work of the system's actuary as they would combine the valuation from them with stress testing reflecting the specific needs of the State for decision useful information for the Legislature. The actuary would report to the SAVA committee with representation of LFC as noted above.