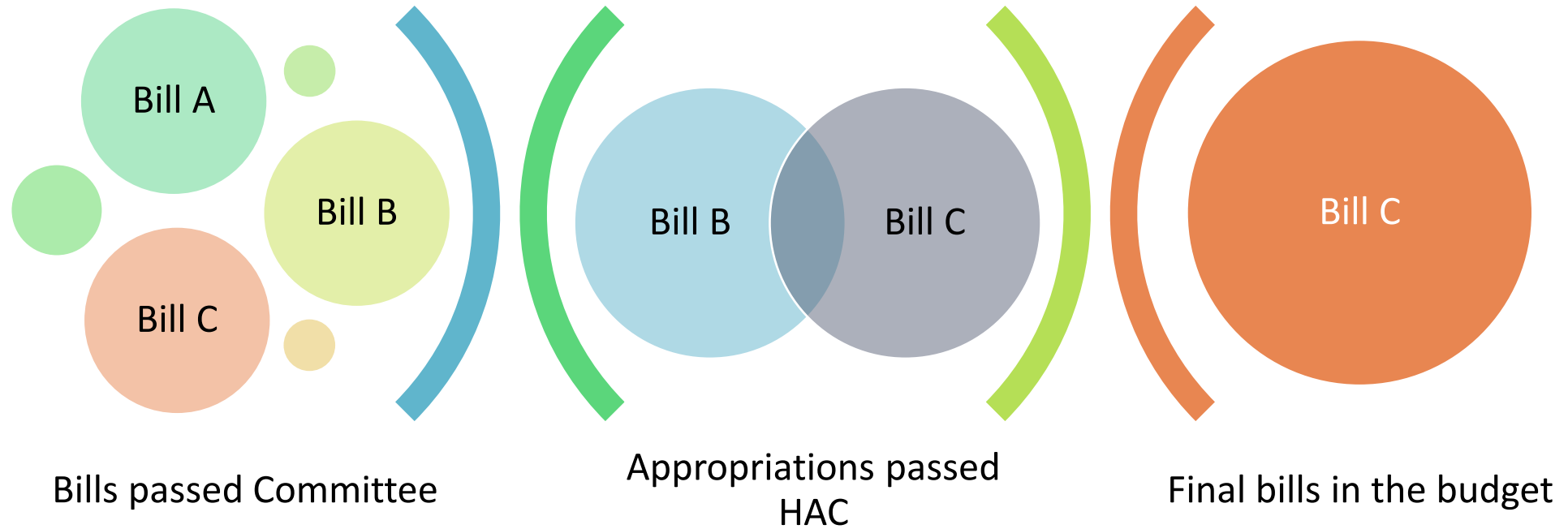


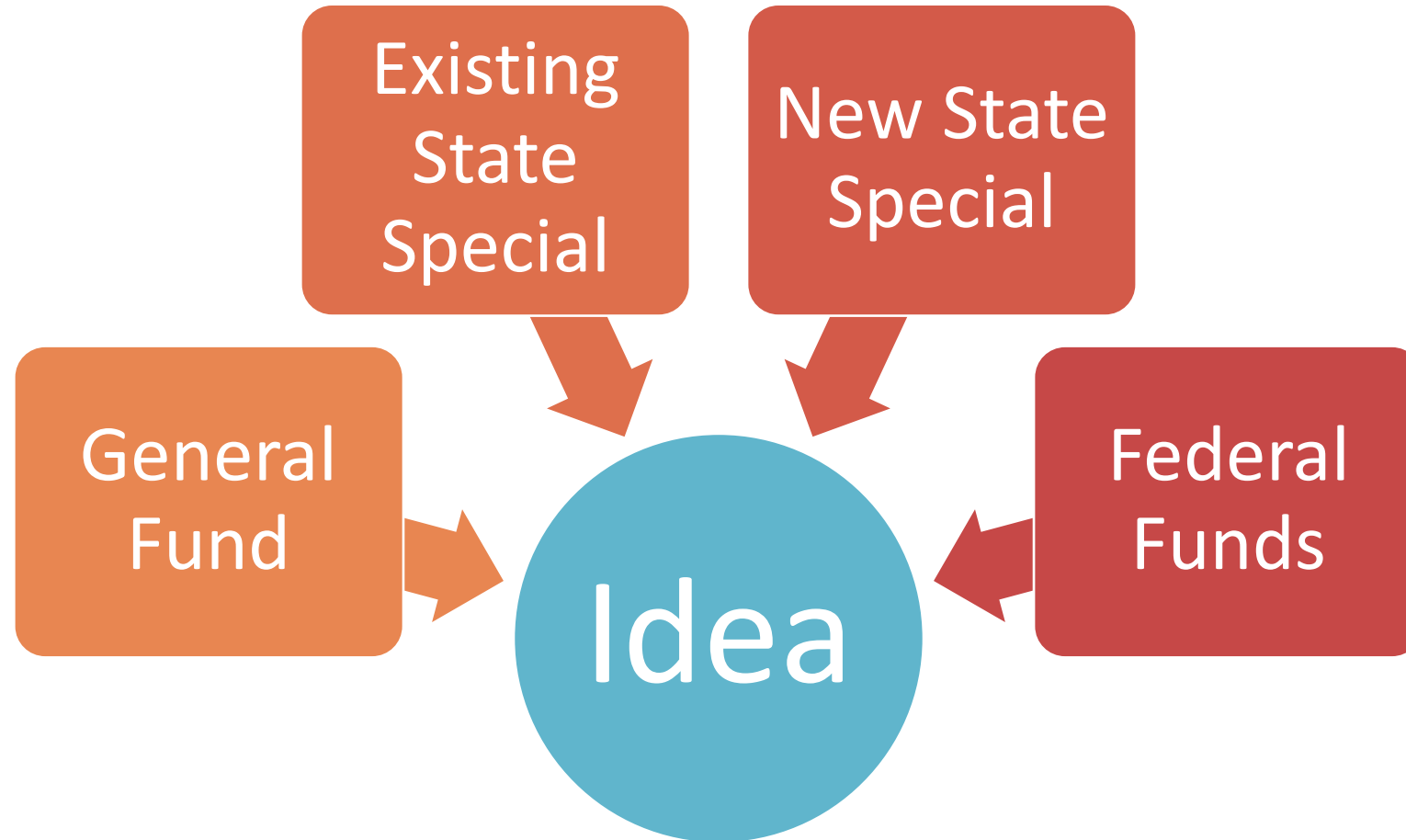
You have a great bill and
want to get it funded. . .

Funds and Appropriations

How can I get my bill in the budget?



What are the possible funding choices?



Should I Use General Fund?

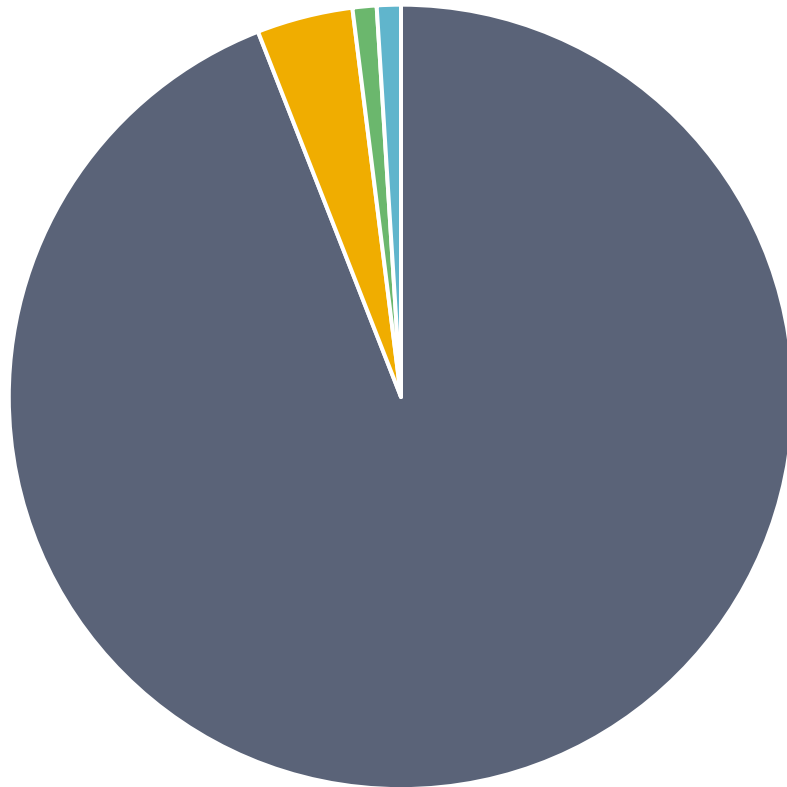
Pros

- No statute change required
- Relatively simple if cost is small
- No “new” tax

Cons

- Very competitive
- Which results in it being difficult to pass a general fund appropriation in House Appropriations and Senate Finance and Claims who are responsible for balancing the budget

General Fund Budget is Mostly Committed



Note: the Graphic is for example only

■ Base ■ PL adjust ■ New ■ New

- Present law adjustments are the costs to continue services and benefits at the current level
- Adding new items is typically at the expense of current items in statute
- The legislature must prioritize all current and proposed requests for funding

Should I Use Existing State Special Revenue?

Pros

- Revenue collection and fund already established
- No “new” taxes

Cons

- May need to change statute to allow new use
- Will have current uses and an interest group for the funds that may resist diversion to another purpose

How do I know if there is state special funding available?
Check with the Legislative Fiscal Division or the Agency you are working with and they may have suggestions or be able to research potential funds.

Should I Use New State Special Revenue?

Pros

- No competition for funds since it is new
- In some circumstances it might be considered a user fee

Cons

- Will need to change statute to collect new revenue
- Those paying the fee may oppose it
- Might be considered a new tax or tax increase

State Special Funds Appropriate use: MCA 17-1-501 and 507

Appropriate

- Payer = Beneficiary
- Need for separate accountability
 - Constitutional Mandate
 - Contract

Not Appropriate

- If program requires general fund subsidy
- Created by a diversion of a general revenue source

Maybe Federal Special Funds Are Available For My Purpose?

Pros

- Revenue collection and fund already established
- No “new” taxes

Cons

- Federal law will restrict use of funds
- May need to change statute to allow new use
- Beneficiaries of current uses may object to a change in use of the funds

How do I know if there is federal special funding available?
Check with the Legislative Fiscal Division or the Agency you are working with and they may have suggestions or be able to research potential funds.

I picked a funding source.
Now what?

Choosing an appropriation: an appropriation is the legal authority for the agency to spend state treasury dollars

Appropriation Choices

HB 2 Appropriation

- Added by amendment to HB 2
- Can be done at any point in the process up until HB 2 Free Conference Committee at the end of session

Statutory Appropriation

- Not appropriate for many purposes
- Added to the bill that contains your idea
- Committed funding
- Level of funding set in statute
- May be required to sunset

Other Appropriation

- Added to the bill that contains your idea
- If your idea creates a permanent program, becomes an ongoing in future HB 2
- Funding level will be evaluated each session

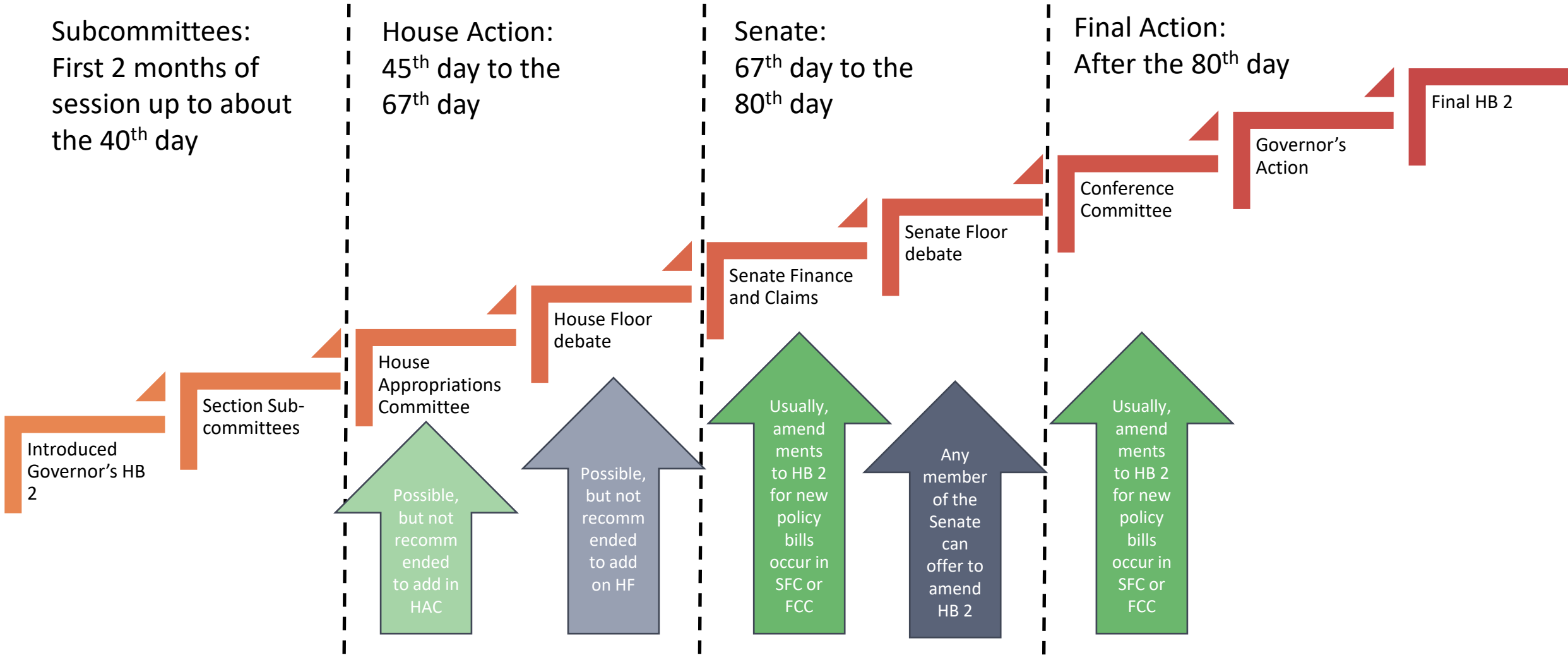
HB 2 Appropriation Process - opportunities to add appropriations

Subcommittees:
First 2 months of session up to about the 40th day

House Action:
45th day to the 67th day

Senate:
67th day to the 80th day

Final Action:
After the 80th day



Statutory Appropriations should be used sparingly

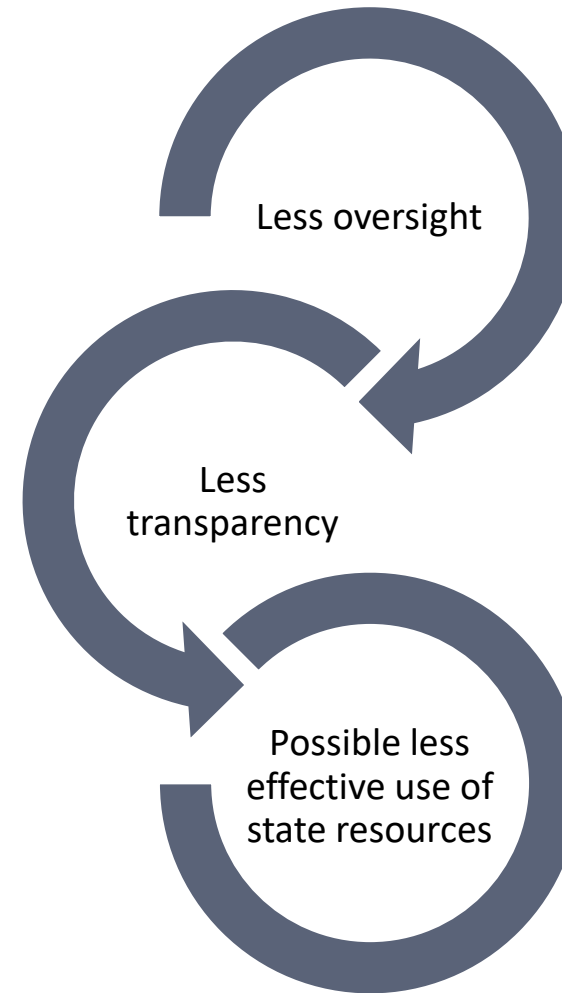
Statutory appropriations are more challenging to change and redirect funding as they are in statute. While this is a benefit to the beneficiary of the funds, it has drawbacks for the legislature.

Statutory appropriations generally have less oversight, accountability and transparency of state expenditures

Funding may be spent in inefficient or ineffective ways if insulated from scrutiny

Statutory Appropriation Guidance, [17-1-508](#)

For further information, please review the [statutory appropriation brochure](#) produced by the Legislative Fiscal Division.



Other Appropriations

- Your bill can contain an appropriation in it so that it does not need to be added to HB 2.
- If your idea creates a program that will continue past the current biennium, it will be added to HB 2 the next biennium.
- A statement in the bill that the appropriations should be included in the base budget of HB 2 is appropriate, but not required.
- While Senate bills cannot be introduced with appropriations, the House can add appropriations to Senate bills.



This Photo by Unknown Author is licensed under [CC BY-SA](#)

What if my idea is just too big to fit in the current budget?



Legislative Fiscal Division

We are available to answer your funding and appropriations questions.
Please feel free to email me at: acarlson@mt.gov