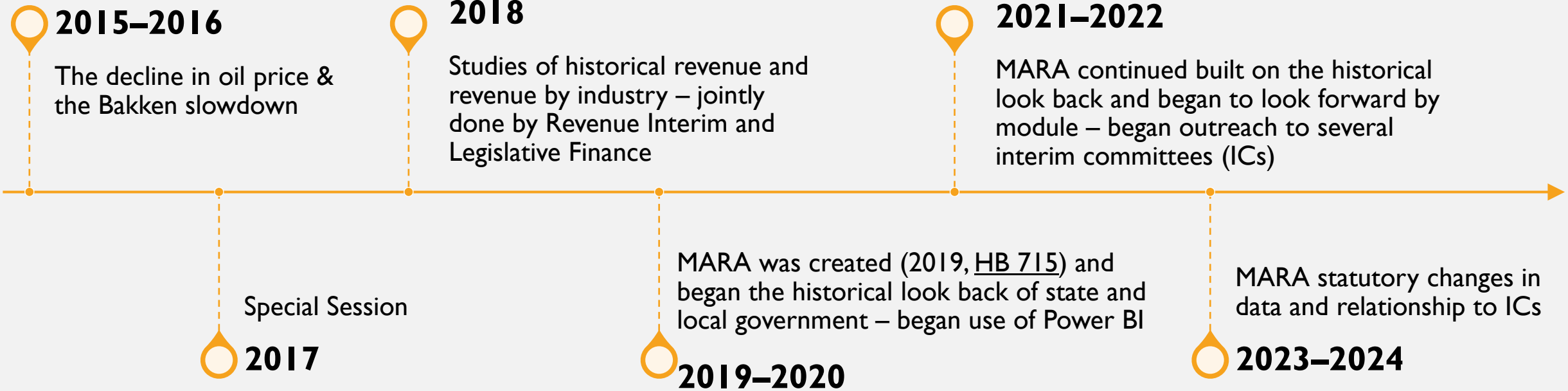


# MODERNIZATION AND RISK ANALYSIS (MARA)

2025 Biennium Kick-Off Meeting

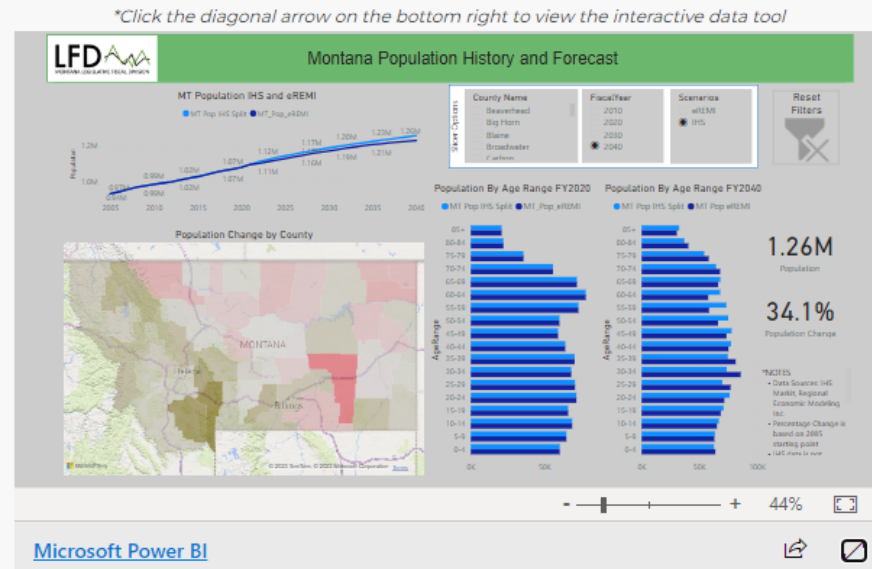
June 15, 2023

## HOW DID IT BEGIN?



# PRODUCT FROM THE 2023 BIENNIUM MARA COMMITTEE

- <https://leg.mt.gov/lfd/mara-data-project/>



## Reports

- [Income Tax: Analysis of CY 20 New Residents & Income Trends After Moving](#)
- [Individual Income Tax: Highlights & Recap of CY 20 Income Data Analysis](#)
- [Individual Income Tax Report \(Volatility Report IV\)](#)
  - [Presentation](#)
- [Montana's Changing Population & Demographics: 2021 Update](#)

The accordions below demonstrate the long-term comprehensive look at the interconnectedness of government in Montana. Navigate these accordions for more information from studies, reports, and interactive data tools.

A) Population & Personal Income



B) Cost of Living, Housing & Childcare



C) Public Safety



D) Healthcare



E) Education



F) Local Government



G) Property Taxes & Changing Land Value



H) Other Related Information



I) Next Steps



# FORECASTING MODEL

## Forecast Modules

C) Public Safety

D) Healthcare

E) Education

F) Local Government

## Modeling

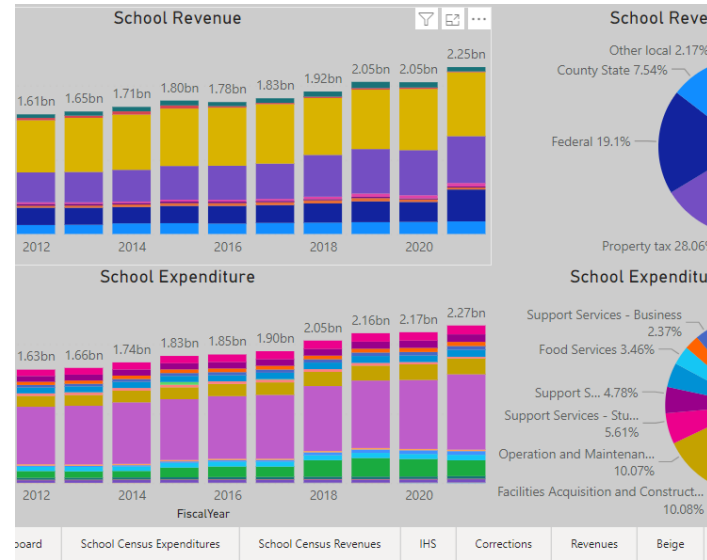
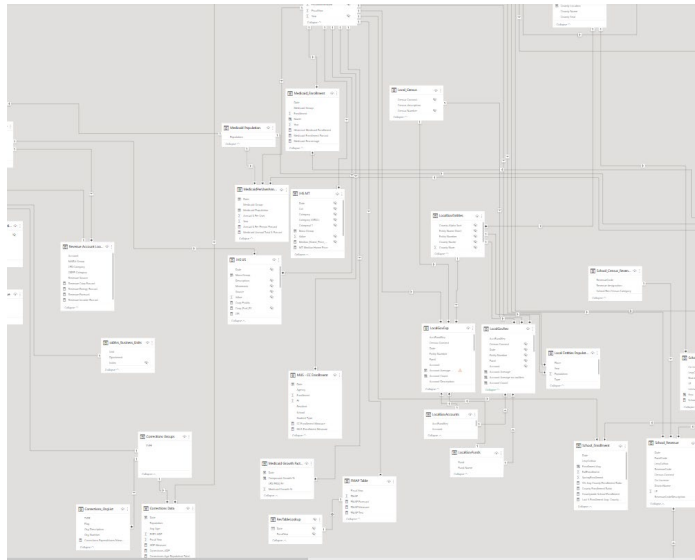


## Attach to Financial Data

SABHRS

Trustee  
Reports

Local Gov  
Financial  
Reports



```

3 | AND ( NOT ( ISBLANK ( Known[X] ) ), NOT ( ISBLANK ( Known[Y] ) ) )
4 | )
5 | VAR Count_Items_1 =
6 | COUNTROWS ( Known_1 )
7 | VAR Sum_X_1 =
8 | SUMX ( Known_1, Known[X] )
9 | VAR Sum_X2_1 =
10 | SUMX ( Known_1, Known[X] ^ 2 )
11 | VAR Sum_Y_1 =
12 | SUMX ( Known_1, Known[Y] )
13 | VAR Sum_XY_1 =
14 | SUMX ( Known_1, Known[X] * Known[Y] )
15 | VAR Average_X_1 =
16 | AVERAGEX ( Known_1, Known[X] )
17 | VAR Average_Y_1 =
18 | AVERAGEX ( Known_1, Known[Y] )
19 | VAR Slope_1 =
20 | DIVIDE (
21 | Count_Items_1 * Sum_XY_1 - Sum_X_1 * Sum_Y_1,
22 | Count_Items_1 * Sum_X2_1 - Sum_X_1 ^ 2
23 | )
24 | VAR Intercept_1 =
25 | Average_Y_1 - Slope_1 * Average_X_1
26 | VAR Regression_1 = SUMX (
27 | DISTINCT ( 'Calendar'[FiscalYear]),
28 | Intercept_1 + Slope_1 * [CPI]
29 | )

```

# FORECASTING MODEL





# OUTCOMES OF 2023 BIENNIUM MARA

- Influenced discussion on
  - Housing
  - Childcare
  - Property tax
  - Local government revenues and expenditures
  - Population change

## MARA'S STATUTORY PURPOSE - UNCHANGED

a) use available data and analytical resources to study the past, present, and future costs and revenues of all state and local government entities and other policy areas that affect the future well-being of the citizens of the state of Montana, including but not limited to:

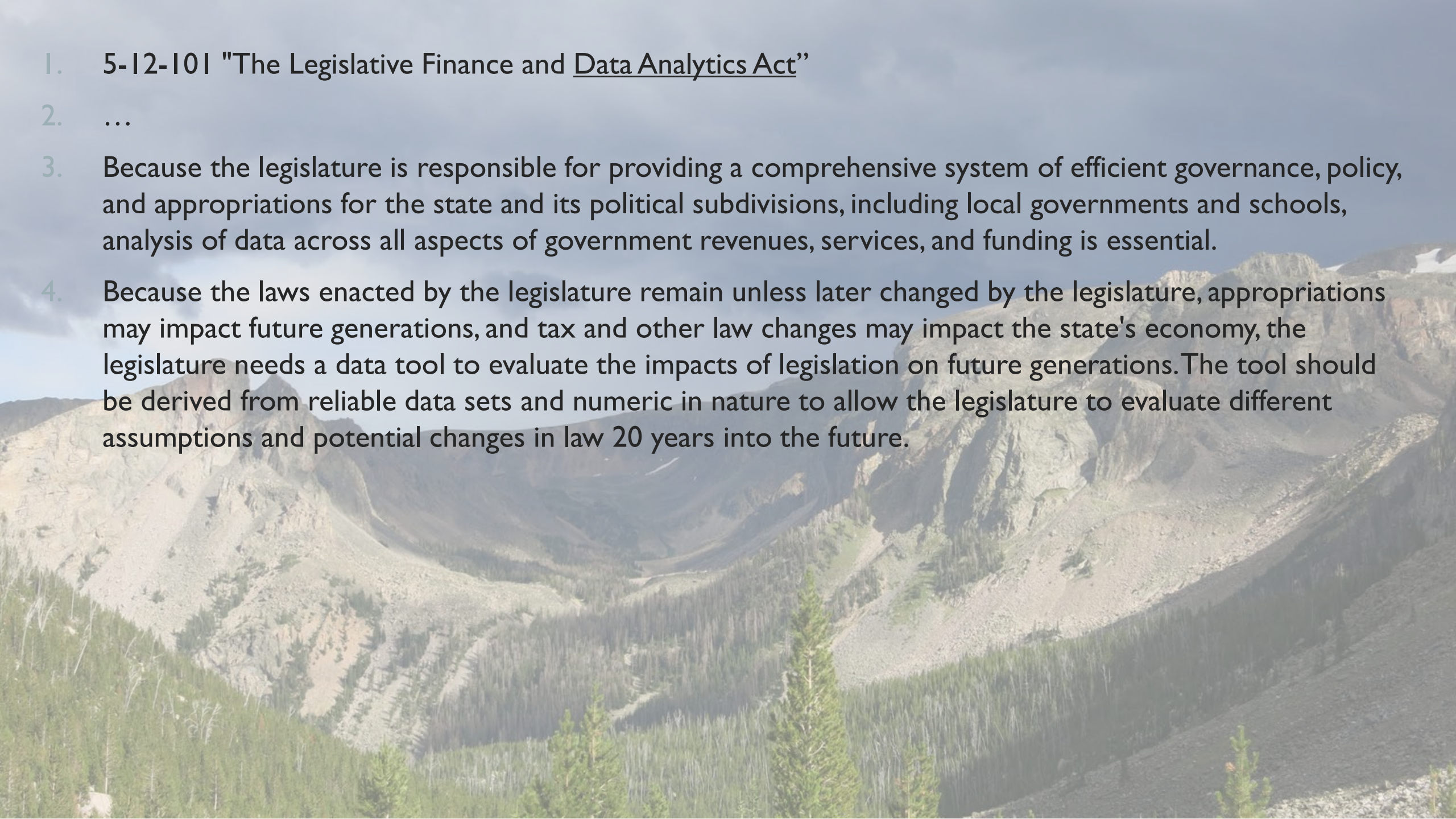
- i. health care;
- ii. human services;
- iii. elementary and secondary education;
- iv. higher education;
- v. pensions;
- vi. public safety and corrections;
- vii. infrastructure and public works;
- viii. programs historically funded by revenue generated from natural resource taxes;

c) create data sets and models for future analysis by the legislature

## HB 140 2023 SESSION

- Codified MARA
- Changed and added elements
  - Purpose of the Finance Act expanded to include Data Analytics
  - Clear intent to work with interim committees
  - Prioritizes LFD data work



- 
1. 5-12-101 "The Legislative Finance and Data Analytics Act"
  2. ...
  3. Because the legislature is responsible for providing a comprehensive system of efficient governance, policy, and appropriations for the state and its political subdivisions, including local governments and schools, analysis of data across all aspects of government revenues, services, and funding is essential.
  4. Because the laws enacted by the legislature remain unless later changed by the legislature, appropriations may impact future generations, and tax and other law changes may impact the state's economy, the legislature needs a data tool to evaluate the impacts of legislation on future generations. The tool should be derived from reliable data sets and numeric in nature to allow the legislature to evaluate different assumptions and potential changes in law 20 years into the future.

## NEW TO MARA – TEMPORARY MEMBERS FROM INTERIM COMMITTEES

Membership: an interim committee chairperson and vice chairperson of opposite parties as temporary voting members of the committee. The presiding officer of the modernization and risk analysis committee shall invite the two members based on the relevance at least one of the topics of the upcoming meeting to the subject matter under the jurisdiction of a specific interim committee.

If the chairperson or vice chairperson of the interim committee is unable to attend, the chairperson or vice chairperson may designate a member of the interim committee. The interim committee chairperson and vice chairperson must be invited at least 30 days prior to the meeting date.

## MARA'S PURPOSE – NEW ITEMS \*

New service to study: “information technology systems of the state and local government”

- a) \*issue and, at the committee's discretion, accept invitations to work with interim committees on various data and analytic research projects;
- b) \*provide direction to the legislative fiscal division on the direction and priorities of data work of the division;
- c) \*take affirmative measures to use and disseminate data generated by and for the committee for educating, training, and increasing the competency of the public.

## UPDATED MARA OBJECTIVES (NEW HAVE \*)

Study Past, Present,  
and Future Costs  
and Revenues –  
State & Local

Create Data Sets  
and Forward-  
Looking Models

Collaborate on  
Analysis with  
Interim  
Committees\*

Prioritize LFD  
Data Work\*

Disseminate  
Generated  
Data/Findings\*





## TIMELINE FOR MARA MEETINGS

- July/August 2023 (ACTION ITEM: TOPICS AND IC INVITES)
  - Date Options: July 18, 19, 20, 31, August 1, 2
- October 2023 (ACTION ITEM: TOPICS AND IC INVITES)
- January 2024
- April 2024
- July 2024
- October 2024

# DISCUSSION OF TOPICS FOR THE INTERIM

See Spreadsheet



# DEGREE OF TOPIC ENGAGEMENT

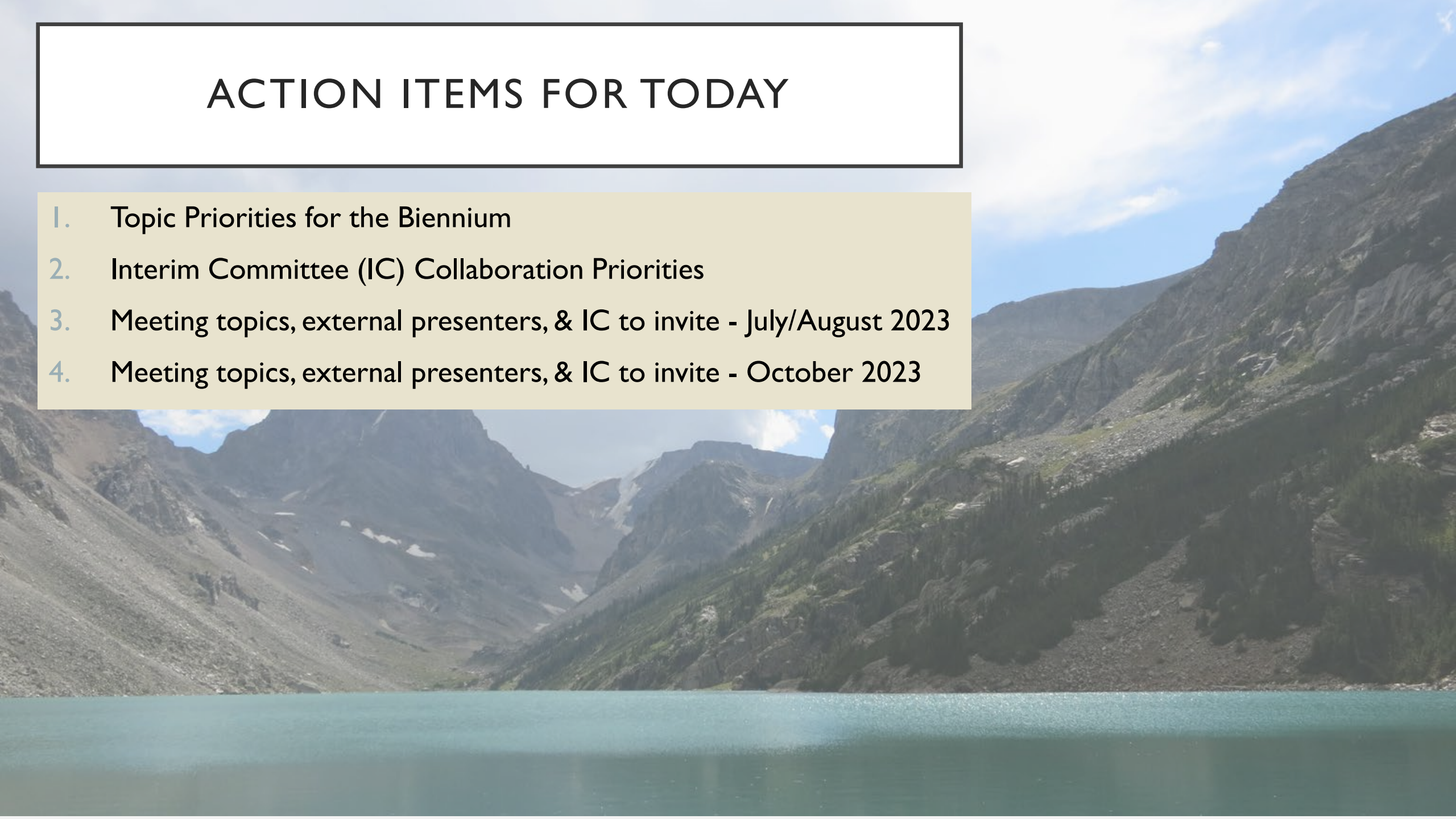
Basic: External presenter(s)  
only

Moderate: External  
presenter(s); Study items  
leading to LFD work and  
simple deliverables (short  
report and/or simple Power  
BI tool)

Extensive: External  
presenter(s); Study items  
leading to LFD work and  
complex deliverables (longer  
report and/or substantial  
Power BI tool)

# ACTION ITEMS FOR TODAY

1. Topic Priorities for the Biennium
2. Interim Committee (IC) Collaboration Priorities
3. Meeting topics, external presenters, & IC to invite - July/August 2023
4. Meeting topics, external presenters, & IC to invite - October 2023



## POTENTIAL JULY/AUGUST MEETING AGENDA ITEMS (IN NO ORDER)

1. Futurist perspectives – how will our lives change over the next ~20 years, and how will governments be impacted?
2. Update: New Montana residents and impacts on revenue – Sam Shaefer, LFD
3. I-WEST Final Report – Invite Lee Spangler, MSU
4. Land use discussion – Invite Local Government IC
  - 4a. Impact of SB 382 – Invite Toni Henneman, LSD
  - 4b. Minneapolis Fed [housing tool](#)
  - 4c. Invite Pew for update on housing policy
5. Inventory and status of data projects – Nick VanBrown, LFD
6. Data governance status / HB 949 and SB 11 – Invite Adam Carpenter, state Chief Data Officer
7. Property tax and local government dashboard updates – Julia Pattin, LFD

## IDEAS FOR OCTOBER MEETING

- Tax structure / revenue
- Property taxes / tax policy and land use
- Yellowstone Club visit
- Economic future of Montana
- Visit from other states

## IDEAS FOR JANUARY 2024 MEETING

- Criminal Justice data project
- Education data project
- Education to the economy



A wide-angle landscape photograph of a mountain valley. In the foreground, a calm lake reflects the sky. The middle ground features steep, rocky mountain slopes with patches of green grass and small evergreen trees. A waterfall cascades down a rocky cliff face in the center. The background shows more mountain peaks under a bright, slightly hazy sky. A white rectangular box with a black border is centered in the upper half of the image, containing the text "CLOSING THOUGHTS".

# CLOSING THOUGHTS