

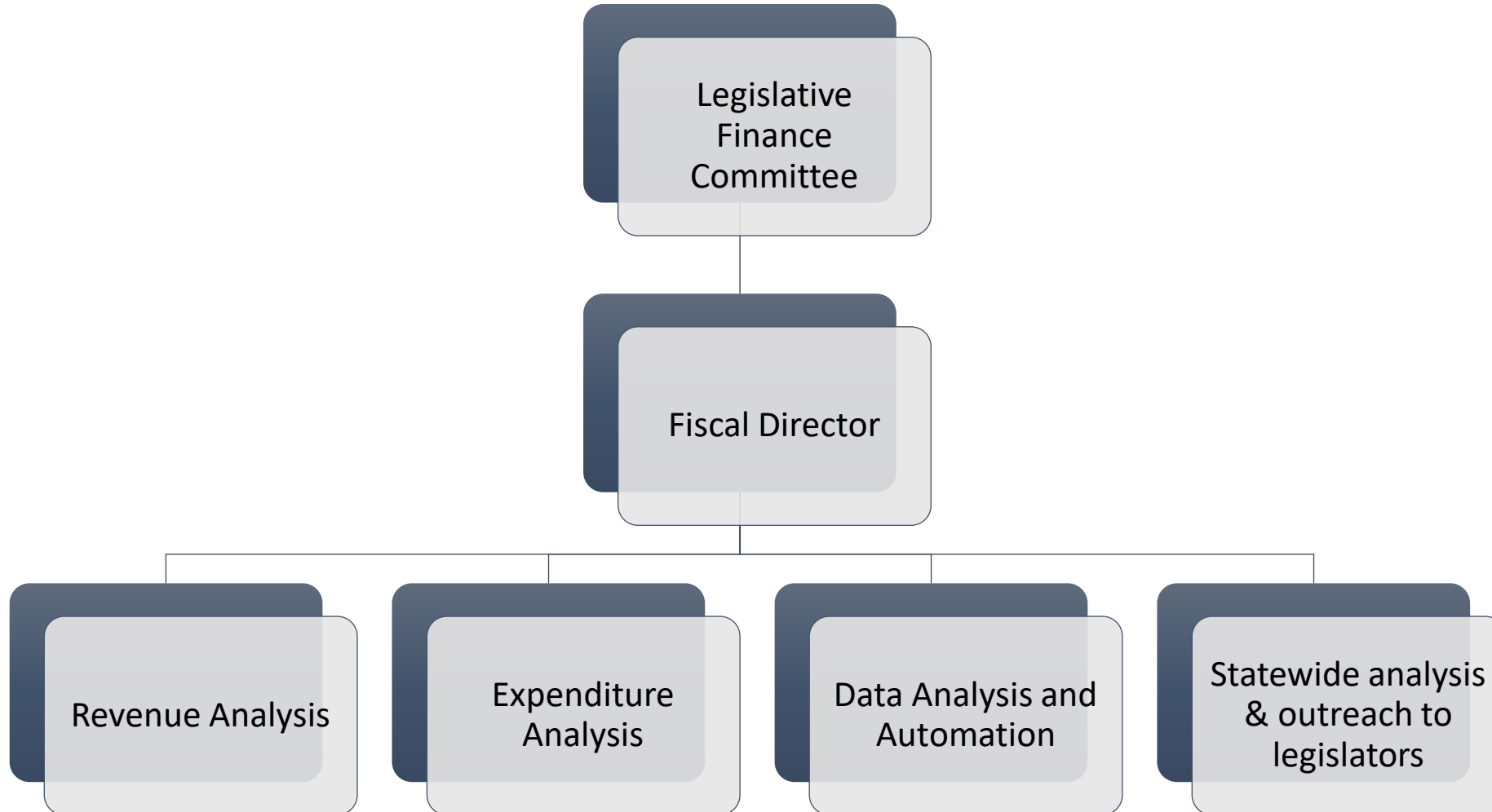


# Fiscal Division

Amy Carlson

Legislative Fiscal Analyst/Director

# Structure of the Legislative Fiscal Division



# Session Committees

House  
Appropriations

Senate Finance and  
Claims

Section A – General  
Government

Section B – Health  
and Human  
Services

Section C – Natural  
Resources

Section D - Public  
Safety

Section E –  
Education

Section F – Long  
Range Planning

House and Senate  
Tax committees for  
revenue estimates  
and select analysis

State  
Administration for  
select pension  
analysis

Other committees  
as requested

Legislative Finance  
Committee

# Interim Committees

Legislative Finance  
Committee

Section A – General  
Government

Section B – Health  
and Human Services

Section C – Natural  
Resources

Section D - Public  
Safety

Section E –  
Education

Section F – Long  
Range Planning

Modernization and  
Risk Analysis  
(MARA)

Revenue Interim for  
revenue estimates,  
monitoring & select  
analysis

State Administration  
for select pension  
analysis

Local Government  
for select local  
government analysis

Other committees  
as requested

# Example of Revenue Work

## Overview

### General Fund Revenue Estimate

The table below shows the adopted general fund revenue estimate. Actual FY 2022 collections shown, along with the adopted projections for FY 2023 through 2025.

General Fund HJ 2 Estimate as Adopted by RIC (\$ Millions)						
Source of Revenue	Actual FY 2022	Estimated FY 2023	Estimated FY 2024	Estimated FY 2025	Estimated 2023 Bien	Estimated 2025 Bien
<b>Largest Seven Sources</b>						
Individual Income Tax	\$2,393.807	\$2,033.784	\$2,086.756	\$2,178.325	\$4,427.592	\$4,265.080
Property Tax	335.114	351.821	443.144	450.817	686.936	893.961
Corporation Income Tax	293.683	284.335	277.207	271.356	578.019	548.563
Vehicle Taxes & Fees	121.138	121.546	122.263	123.246	242.684	245.509
Oil & Natural Gas Production Tax	70.510	78.712	73.262	72.045	149.222	145.306
Insurance Tax & License Fees	97.940	101.387	105.838	110.608	199.327	216.447
Video Gambling Tax	77.881	80.185	83.666	86.895	158.066	170.561
<b>Other Business Taxes</b>						
Driver's License Fee	6.171	5.854	5.919	5.972	12.025	11.890
Investment License Fee	19.535	20.182	20.741	21.314	39.717	42.056
Lodging Taxes	46.175	51.124	57.476	61.792	97.299	119.268
Public Contractors Tax	2.840	4.196	4.300	4.396	7.036	8.697
Railroad Car Tax	4.020	4.799	5.496	5.534	8.819	11.029
Rental Car Sales Tax	6.823	8.114	7.978	8.250	14.937	16.228
Telecommunications Excise Tax	8.571	7.891	5.631	4.634	16.462	10.265
<b>Other Natural Resource Taxes</b>						
Coal Severance Tax	15.359	21.374	20.644	17.218	36.733	37.862
Electrical Energy Tax	3.930	3.841	3.536	3.383	7.771	6.919
Metaliferous Mines Tax	12.210	11.254	11.363	11.369	23.464	22.732
US Mineral Royalty	19.464	28.143	24.212	20.291	47.607	44.503
Wholesale Energy Tax	3.352	3.427	3.410	3.398	6.779	6.808
<b>Other Interest Earnings</b>						
Coal Trust Interest	16.561	17.947	18.857	19.657	34.509	38.514
Treasury Cash Account Interest	11.776	101.367	126.591	98.569	113.143	225.159
<b>Other Consumption Taxes</b>						
Beer Tax	3.202	3.294	3.329	3.362	6.496	6.691
Cigarette Tax	27.993	27.517	26.889	26.069	55.510	52.958
Liquor Excise & License Tax	29.166	31.241	32.282	33.409	60.407	65.691
Liquor Profits	21.879	22.600	23.700	24.300	44.479	48.000
Lottery Profits	15.311	15.264	15.508	15.683	30.575	31.191
Marijuana Tax	14.238	27.401	27.975	29.107	41.639	57.082
Tobacco Tax	5.565	5.451	5.366	5.253	11.016	10.619
Wine Tax	2.573	2.641	2.699	2.760	5.214	5.459
<b>Other Sources</b>						
All Other Revenue <sup>1</sup>	180.512	305.512	46.451	46.662	486.024	93.113
Highway Patrol Fines	3.533	3.503	3.518	3.518	7.036	7.036
Nursing Facilities Fee	3.447	3.153	2.942	2.731	6.600	5.673
Public Institution Reimbursements	13.933	8.070	7.758	7.446	22.003	15.204
Tobacco Settlement	3.426	3.342	3.327	3.312	6.768	6.638
Ongoing Revenue Subtotal	3,755.727	3,539.484	3,710.034	3,782.680	7,295.211	7,492.714
OTO & Transfers Subtotal	135.914	260.789				
<b>Total General Fund</b>	<b>\$3,891.640</b>	<b>\$3,800.273</b>	<b>\$3,710.034</b>	<b>\$3,782.680</b>	<b>\$7,691.913</b>	<b>\$7,492.714</b>
Ongoing General Fund Growth		-5.8%	4.8%	2.0%		2.7%

<sup>1</sup>In FY 2022, All Other Revenue includes a transfer of \$115 million from the BSRF back to the General Fund. In FY 2023 this transfer is \$260.8 million.

- Detailed revenue forecasts are created by source of revenue and compiled in a reference document
- Updated revenue forecasts continue to inform the legislature through session
- During the interim, revenue collections are monitored and reported to Tax and Budget committees

# Examples of expenditure work

## 11040 - Legislative Branch

## SUMMARY

### Agency Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Agency Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	28,710,815	35,243,758	6,532,943	22.75 %
Operating Expenses	10,418,254	11,745,916	1,327,662	12.74 %
Equipment & Intangible Assets	1,654,196	4,793,770	3,139,574	189.79 %
Transfers	633,702	415,600	(218,102)	(34.42)%
<b>Total Expenditures</b>	<b>\$41,416,967</b>	<b>\$52,199,044</b>	<b>\$10,782,077</b>	<b>26.03 %</b>
General Fund	35,999,014	47,452,024	11,453,010	31.81 %
State/Other Special Rev. Funds	5,417,953	4,747,020	(670,933)	(12.38)%
<b>Total Funds</b>	<b>\$41,416,967</b>	<b>\$52,199,044</b>	<b>\$10,782,077</b>	<b>26.03 %</b>
<b>Total Ongoing</b>	<b>\$39,162,896</b>	<b>\$48,252,544</b>	<b>\$9,089,648</b>	<b>23.21 %</b>
<b>Total OTO</b>	<b>\$2,254,071</b>	<b>\$3,946,500</b>	<b>\$1,692,429</b>	<b>75.08 %</b>

### Mission Statement

The mission of the legislature is to exercise the legislative power of state government vested by the Constitution of the State of Montana and to fulfill its constitutional duties. The mission of the agencies within the Legislative Branch, i.e., the consolidated legislative agency (5-2-201, MCA), is to provide the administration structure to support accomplishment of the powers and duties of the Legislature.

Please refer to the agency profile at <https://leg.mt.gov/lf/appropriation-subcommittee-section-a/agency-legislative-branch/> for additional information about the agency's organization structure, historical expenditures, goals and objectives, and recent studies and audits.

# Example of Data Work

- Analyzes and communicate property tax impacts more clearly
- Calculate and present data in ways that have not previously been available
- Combine data sources to see inter-related impacts
- Automation

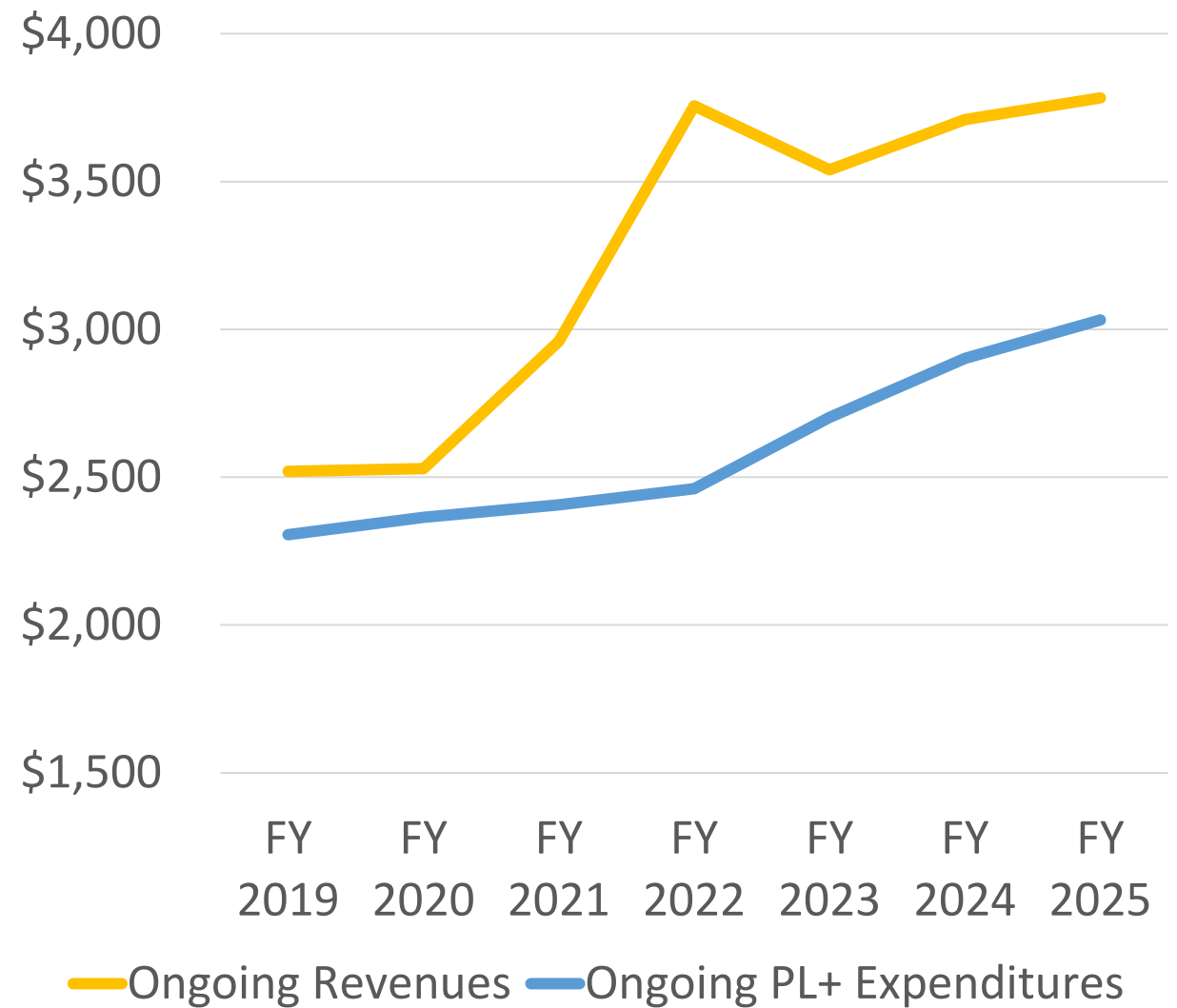




## Example of Statewide analysis and outreach

Statewide analysis is communicated to the whole legislature through the website, budget training, and outreach to groups of legislators.

Big concepts explained simply





# Budget Request

Legislative Finance Committee

New Services  
and  
Legislative  
Expectations

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Interim Budget  
Committees

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MARA and Interim  
Committees

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Mission Support - Data,  
Automation, Structure

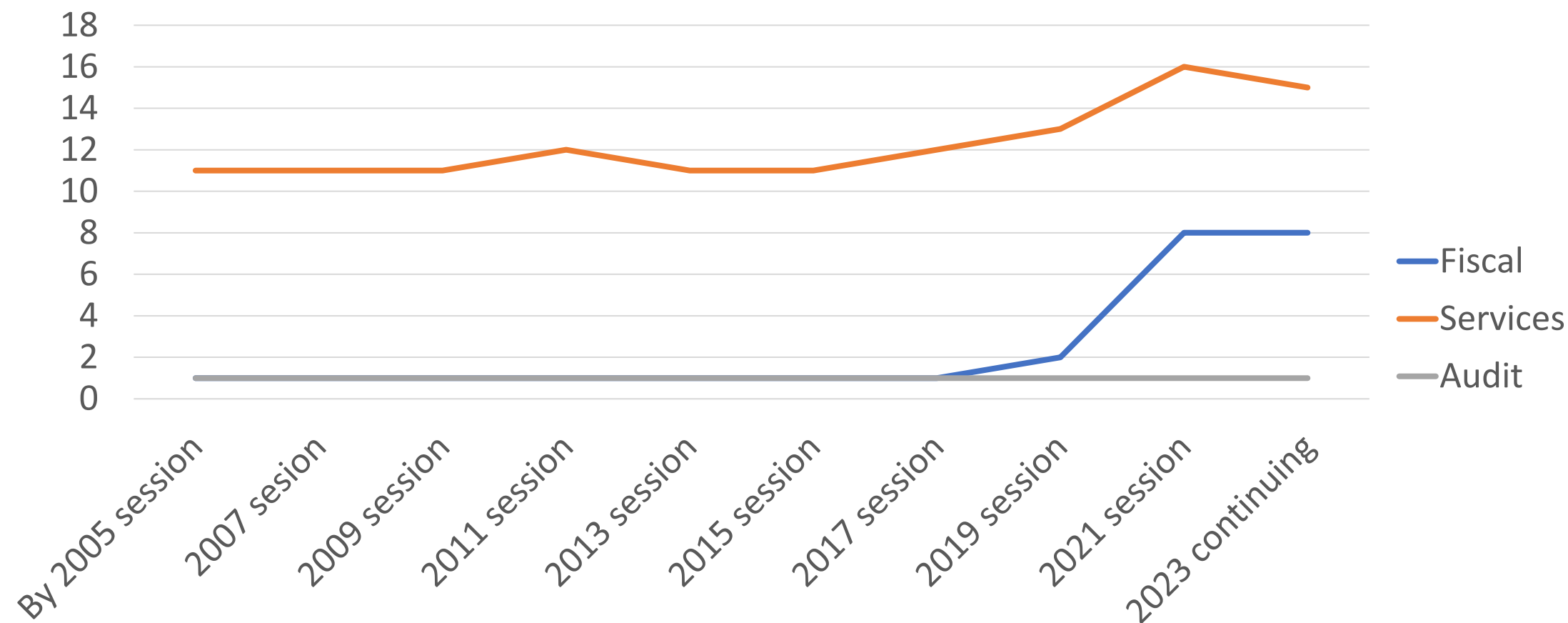
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# Interim Budget Committees

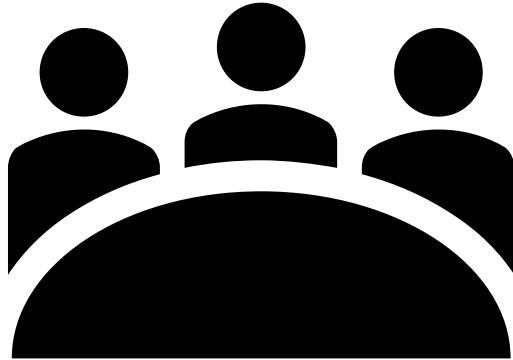
- Began last interim from HB 497 2021 session, Rep. Mercer, sunsets December 31, 2024
- Legislative Finance Committee HB 110, Rep. Mercer, passed the House Floor unanimously
- Legislative Joint Subcommittees continue into the interim and meet quarterly

# Interim Committee Duties



# IBC meeting support

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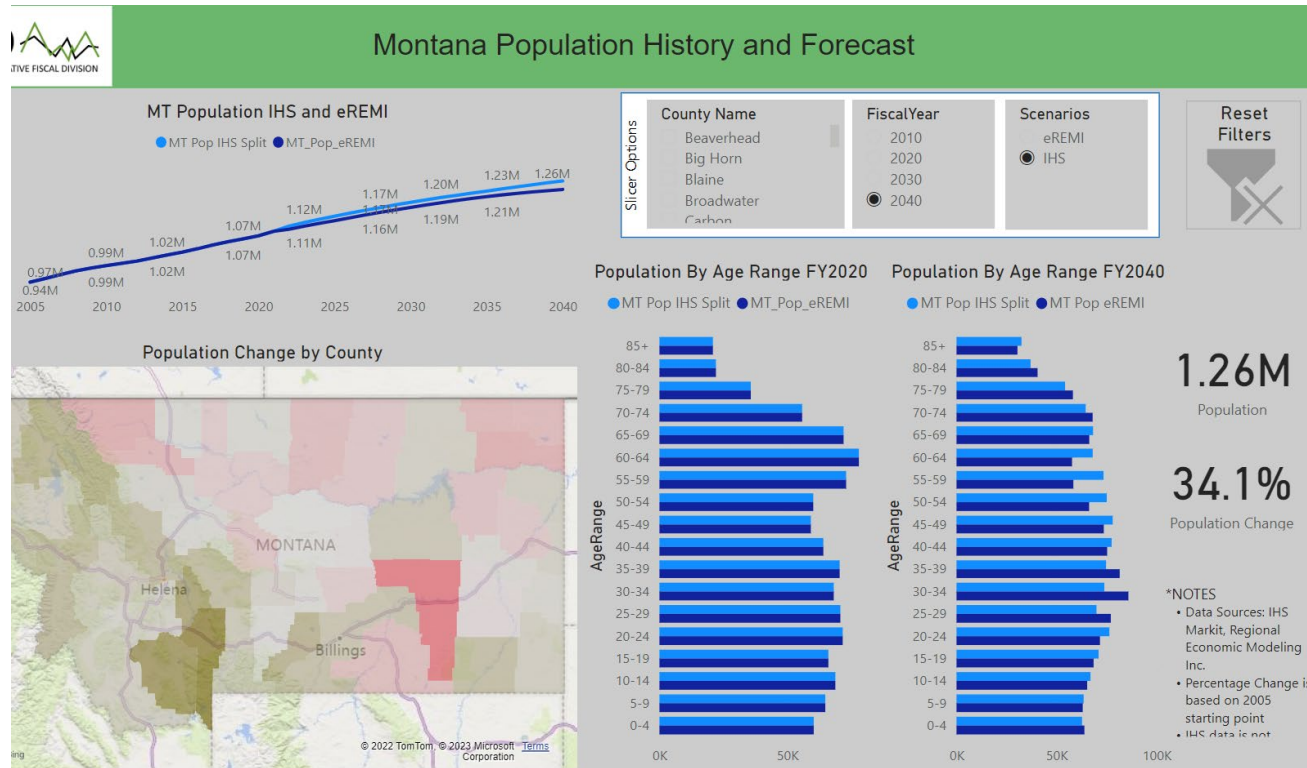
The addition of the IBC's has required more time than originally anticipated. Meeting administration, agenda development, analysis, and communications support requested by the IBCs has exceeded the originally anticipated workload. Total staff wide workload has increased at least 1.5 FTE worth of time. The original budget for these committees added 0.5 FTE.

The request is for 1.0 FTE to better accommodate the needs of the IBCs while balancing staff time with other legislative needs.

# National Interest and Trends

- Direction of LFD for the last ten years or so
- Direction of data analysis
  - Wall Street Journal CFO series on private sector finance offices combining financial and operational data for new insights across the organization
- Expansion of data availability
  - Financial Data Transparency Act (Dec 2022) – expansion of data availability across the country
  - Private sector adoption of Snowflake for data subscriptions
  - State adoption of Snowflake
- PEW & NCSL interest in MARA and the LFD data expansion

# Modernization and Risk Analysis (MARA)



- Legislative Finance Committee bill HB 140 codifies MARA
- Seeds of thought began in about 2015 when concerns rose about revenue sustainability
- Two one-time bills established MARA
- Work with multiple interim committees
- National interest



## THRIVING IN A CHANGING WORLD

### DATA DRIVEN DECISION MAKING

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Legislative *non-partisan* staff under the direction of the Modernization and Risk Assessment (MARA) Committee compiled data from across Montana. Once the data was put together, economic, demographic, and financial interactions and trends emerged providing a glimpse at the future.

*MARA's work is important because it puts together tools for legislators, other decision makers, and citizens that use real Montana information to answer questions that we are facing. I believe that the tools MARA assembles, on topics ranging from cost of living data to taxation issues, and health care to education, will be invaluable in making decisions that benefit Montanans.*

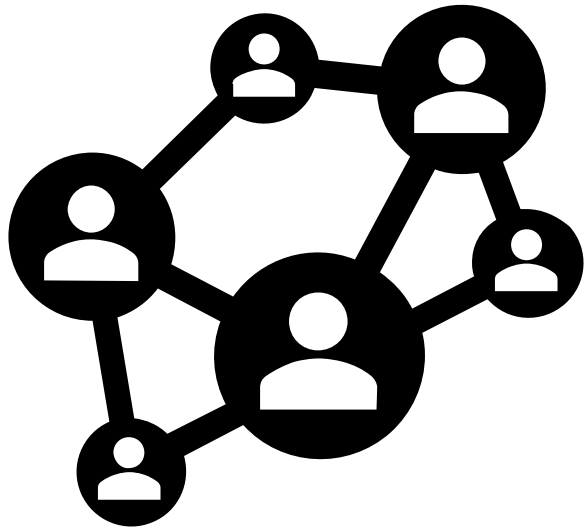
*Senator Janet Ellis, Vice Chair MARA Committee*

*Legislators are consistently asked to address problems and challenges. . . MARA is all about making sure well vetted data is readily available to inform legislative decision making.*

*Representative Llew Jones, Chair MARA Committee*

*MARA is unique because we are attempting to use data and modeling to look out a decade or more to project where Montana will stand in the more distant future. It is an important exercise because our work from session to session, particularly around budgeting, is focused on the immediate term. So, MARA's longer-term lens is uncommon and can complement the policy work of our other committees.*

*Representative Bill Mercer*



# Interim Committee Support

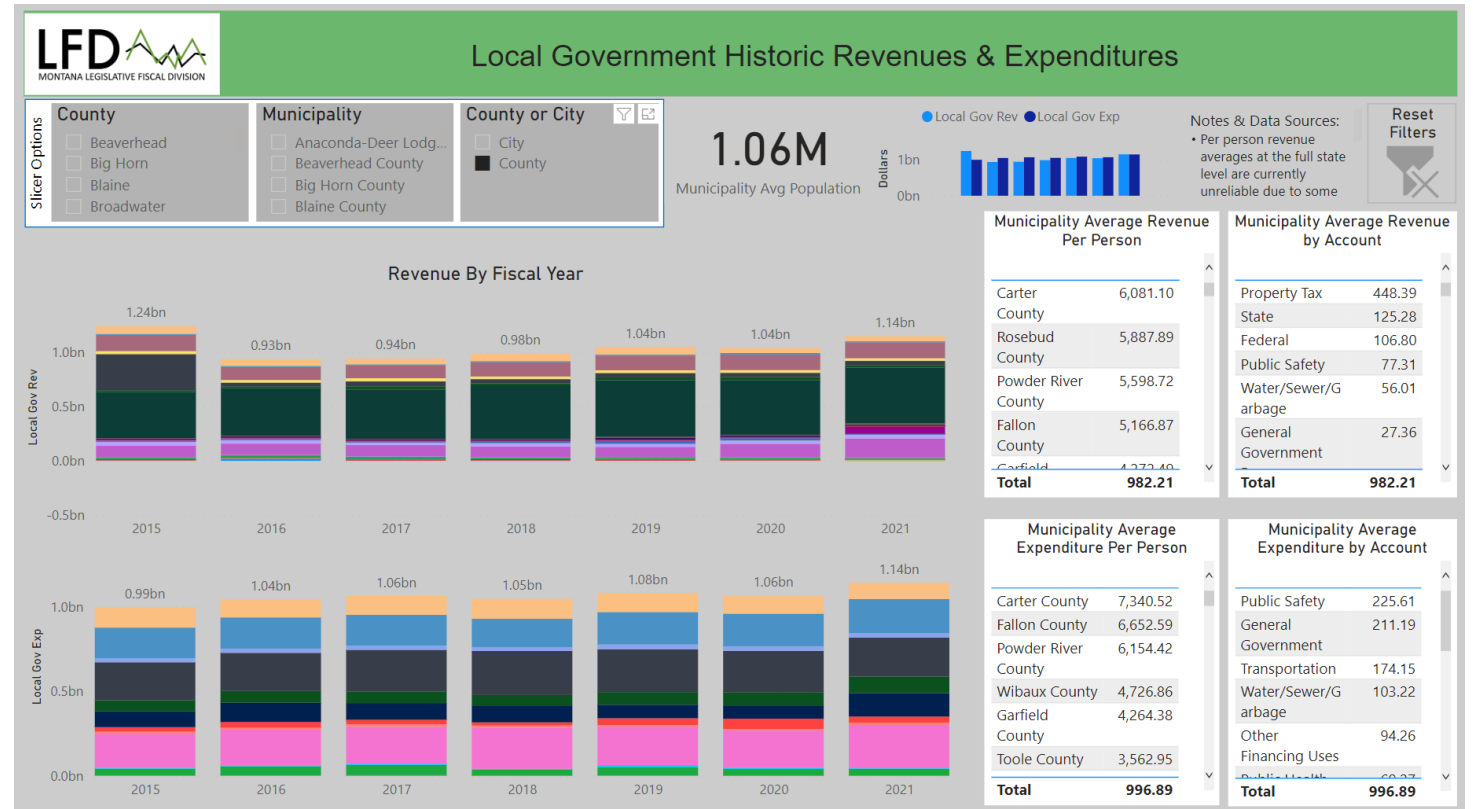
As the analytic skills of the LFD have expanded and the data needs of the Interim Committees has grown, additional data and fiscal support is needed to accommodate legislative needs.

In particular:

- Public Safety committees through SB 11
- Health and human services committees
- Local government committees would benefit from additional resources.
- Work with the Revenue Interim Committee would continue and grow.

## Example - Local Government Data

- Revenue and expenditure became available last fall
- Little analysis has been done, but data is up on the web and available for legislators to do their own research



# MARA and Interim Committee Support

Legislative efforts to push into deeper levels of fiscal, forecasting, and data analysis both through the MARA and interim committees has increased the demands on available time resources.

The LFD requests an additional 1.0 FTE to better support and coordinate with the Interim Committees and MARA on data and fiscal analysis.

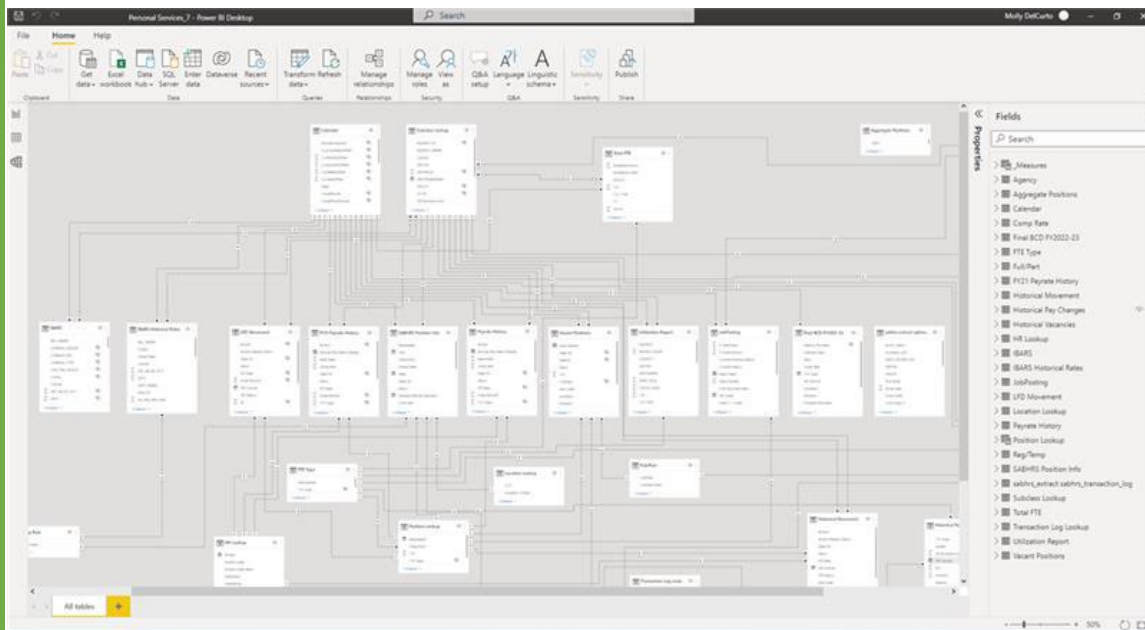
# Improving & Supporting the Mission

The broad demands for data analysis have been evident for several years and have only been bolstered by legislative interest in products that have been created.

New data availability coming online with the executive Snowflake implementation will increase analytic opportunity for the legislature.



# Behind the scene example



**LFD** MONTANA LEGISLATIVE FISCAL DIVISION

## DP1 Overview

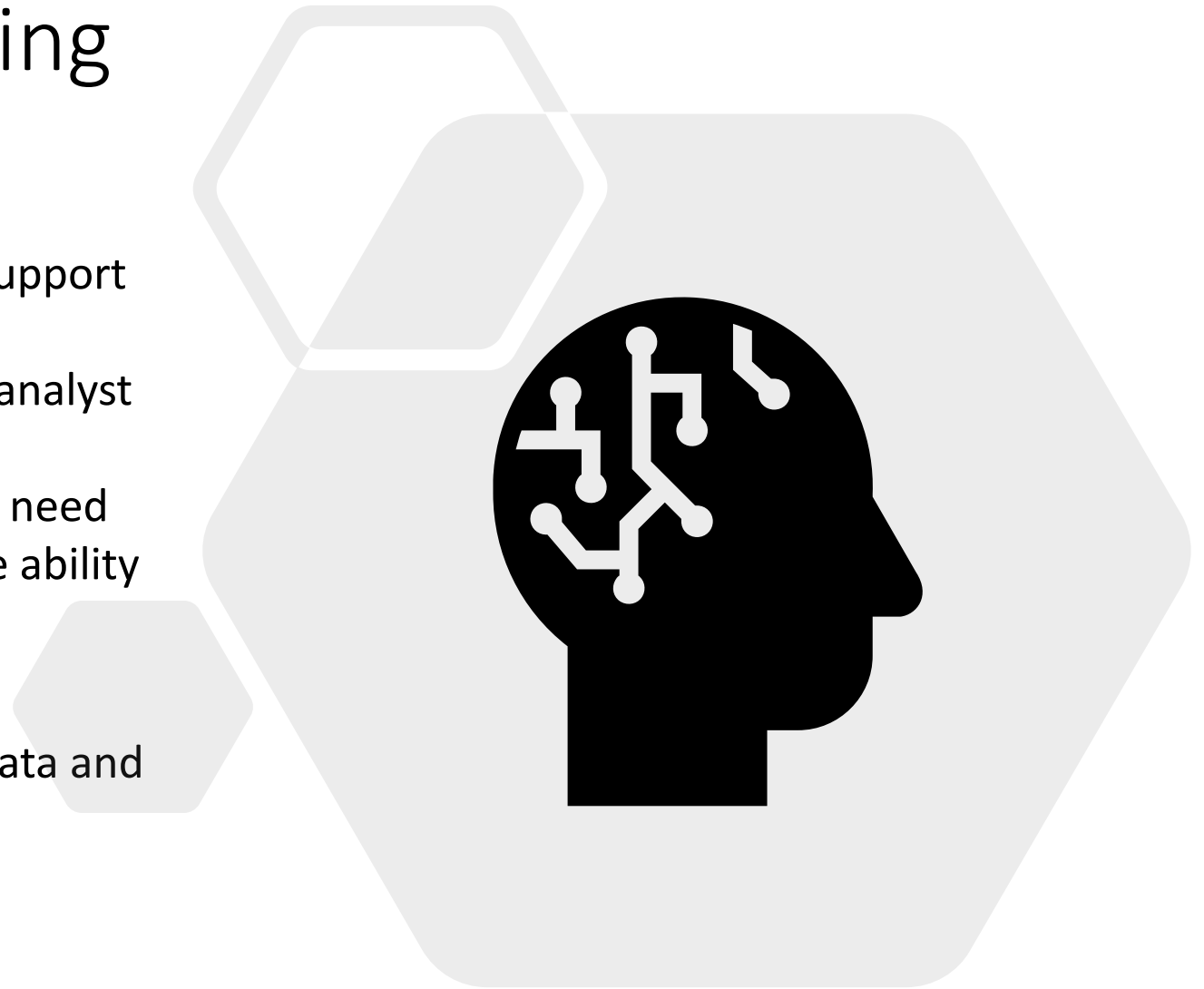
Section: All Agency: All Program: All Bill Authority: HB2

Agency	Legislative Changes	Management Changes	Total Budget Modifications	Total Personal Service Changes	DP1 FY24	DP1
<b>11040 LEGISLATIVE BRANCH</b>	<b>276,622</b>	<b>444,703</b>		<b>721,324</b>	<b>723,378</b>	<b>-2,054</b>
20 Legislative Services	140,738	-47,034		93,705	95,400	-1,695
21 Legis. Committees & Activities	7,676	84,960		92,636	92,635	1
27 Fiscal Analysis & Review	48,982	70,337		119,320	119,358	-38
28 Audit & Examination	79,224	336,439		415,664	415,985	-321
<b>11120 CONSUMER COUNCIL</b>	<b>-10,055</b>	<b>17,011</b>		<b>6,956</b>	<b>7,006</b>	<b>-50</b>
01 Administration Program	-10,055	17,011		6,956	7,006	-50
<b>21100 JUDICIARY</b>	<b>2,131,262</b>	<b>1,235,997</b>		<b>3,367,260</b>	<b>3,306,167</b>	<b>61,093</b>
01 Supreme Court Operations	176,008	280,481		456,489	400,810	55,679
03 Law Library	1,256	14,003		15,259	15,307	-48
04 District Court Operations	1,848,607	805,207		2,653,814	2,663,746	-9,932
05 Water Court	91,652	127,823		219,476	204,018	15,458
06 Clerk of Court	13,739	8,484		22,223	22,286	-63
<b>31010 GOVERNORS OFFICE</b>	<b>11,646</b>	<b>-5,140</b>		<b>6,507</b>	<b>6,552</b>	<b>-45</b>
01 Executive Office Program	11,188	-4,142		7,046	7,004	42
02 Executive Residence Operations	-7,335	-21,009		-28,344	-28,344	0
04 Ofc Budget & Program Planning	23,649	36,804		60,453	60,542	-89
05 Office of Indian Affairs	-8,826	-6,492		-15,318	-15,319	1
20 Mental Disabilities Bd Visitors	-7,029	-10,301		-17,330	-17,331	1
<b>32020 POLITICAL PRACTICES</b>	<b>-456</b>	<b>12,045</b>		<b>11,589</b>	<b>11,588</b>	<b>1</b>
01 Commissioner of Political Practices	-456	12,045		11,589	11,588	1
<b>34010 STATE AUDITOR</b>	<b>172,056</b>	<b>494,385</b>		<b>666,441</b>	<b>666,579</b>	<b>-138</b>
01 Central Management	27,403	107,663		135,066	135,012	54
<b>Total</b>	<b>5,811,035</b>	<b>25,465,837</b>	<b>1,105,166</b>	<b>32,382,038</b>	<b>33,781,226</b>	<b>-1,399,188</b>

# Improving and Supporting the Mission

There is a great deal of background work to support the increasing goals and expectations of the legislature. Pushing further into automation, analyst upskilling, deeper analysis, and enhanced communication tools will only strengthen the need for a robust underlying data structure and the ability to manipulate it.

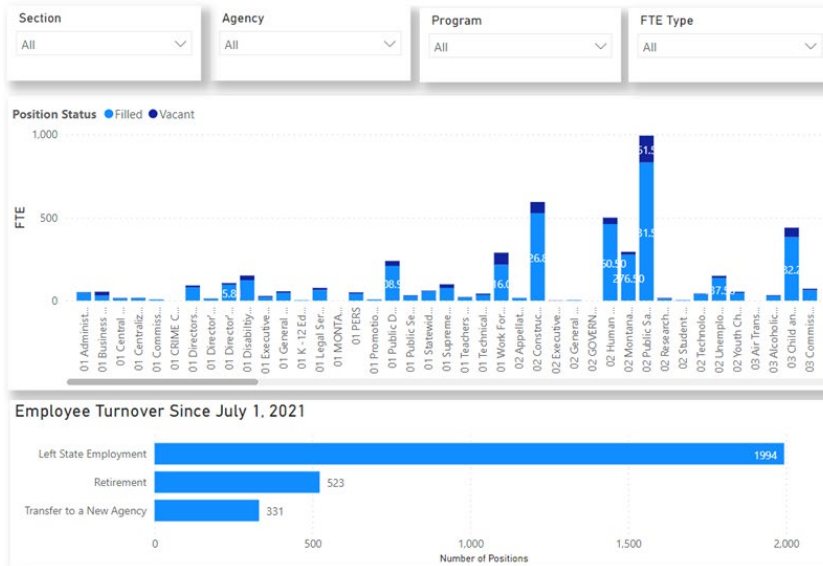
The LFD requests an additional 1.0 FTE for a technician to access, organize, and produce data and analytical tools.



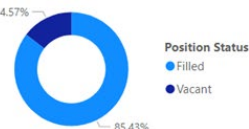


# Example: FTE and personal services analysis

## Montana State Agency Vacancies



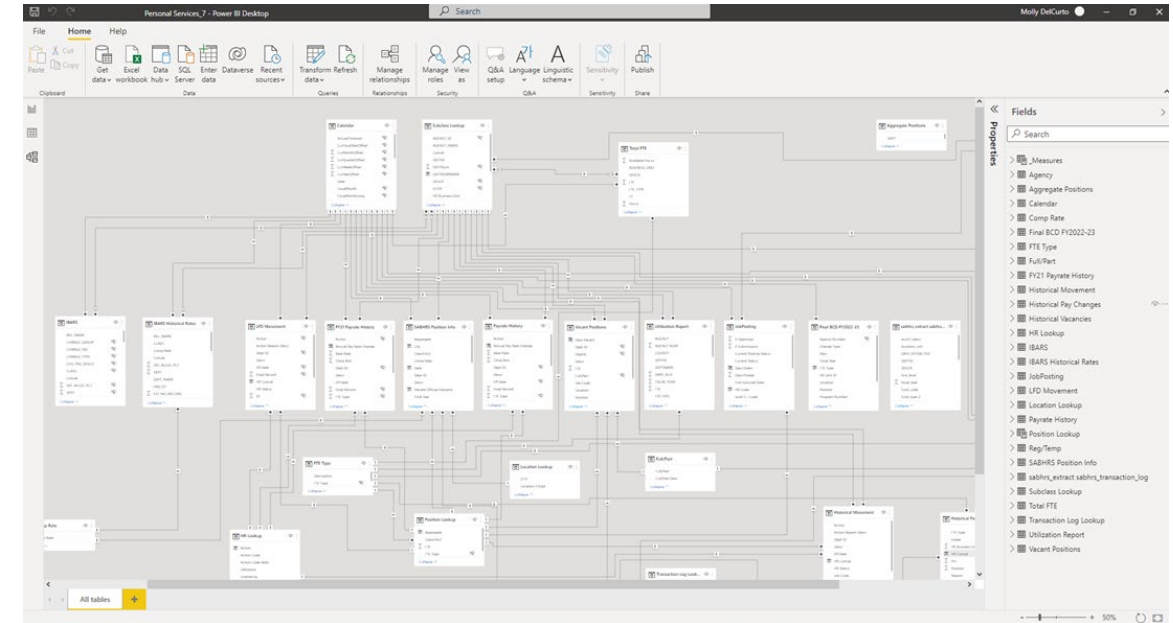
LFD  
MONTANA LEGISLATIVE FISCAL DIVISION



1,981.73  
Vacant FTE

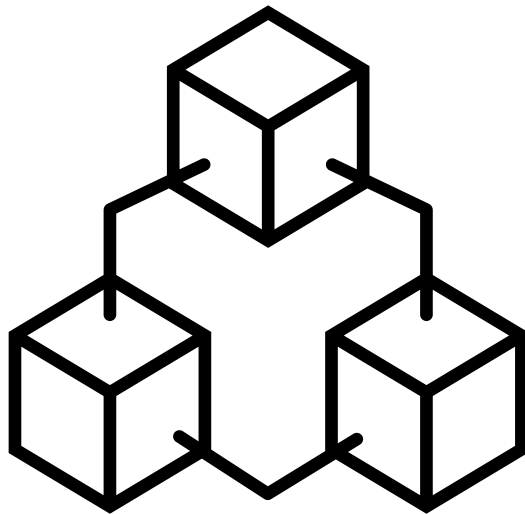
13,603.08  
Total FTE

142.00  
Median Number of Day's Vacant



# IT help requested in Services Budget

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- Database management and/or linking to outside data sets, our data sets are growing more complex and unwieldy.
- As the Data Lake becomes available, we will be poised to use the data for legislative analysis

# Budget Request for Central Services

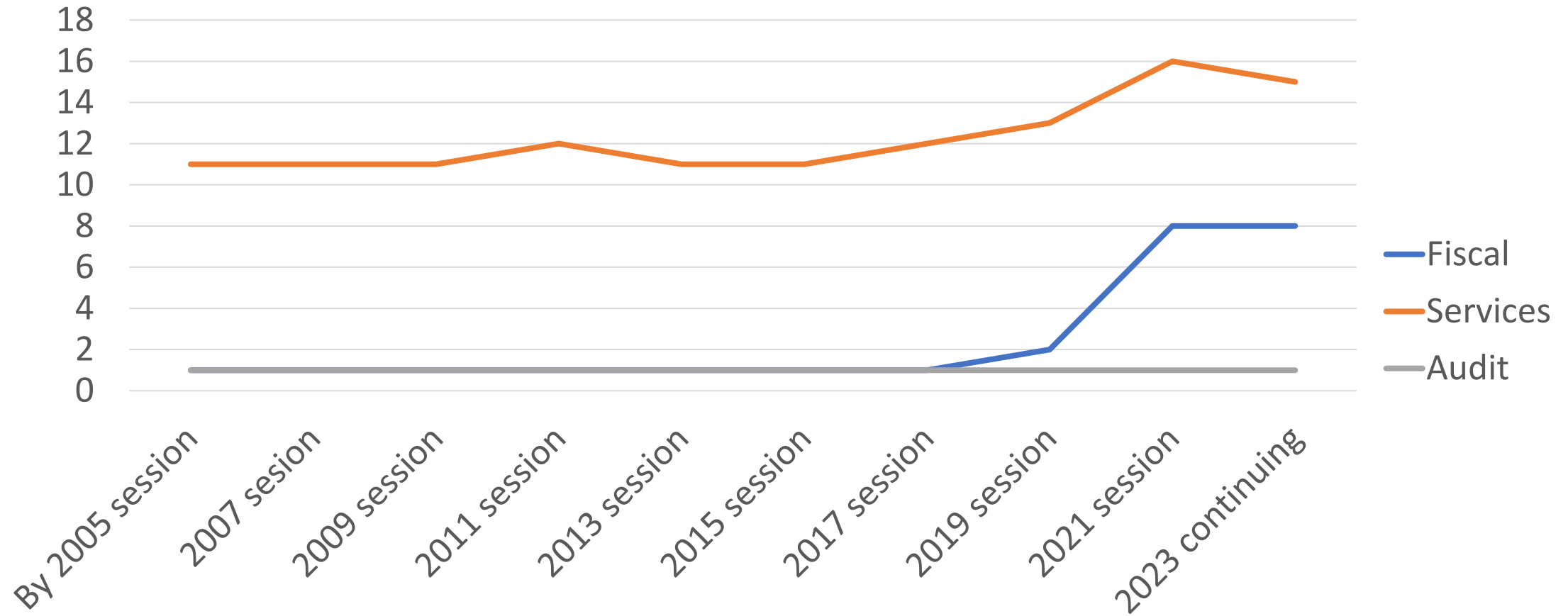


4 CENTRAL SERVICES  
SECRETARIES



ACCOUNTING SPECIALIST

# Interim Committee Growth



# Adjusting the Central Services Budget submission for change in administration of secretaries

Request is for 4 FTE Secretaries

2 FTE aggregate secretarial positions are requested for interim budget committees and .5 FTE secretarial supervisor are requested to be moved from the Legislative Services Division Central Services Budget to the Fiscal Division Budget

Services growth will be 1.5 FTE and Fiscal Growth will be 2.5 FTE

