



HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS

67TH Legislature

TO: House Appropriation Committee
Senate Finance and Claims Committee

FROM: Senator Ryan Osmundson, Chair, Senate Finance & Claims Committee
Representative Llew Jones, Chair, House Appropriations Committee

DATE: January 6, 2021

RE: Budget Policy Recommendations

BUDGET INSTRUCTIONS

The following instructions will be used to keep consistency between subcommittees in application of certain budget issues:

Instructions for the Application of Certain Budget Issues

1. The starting point motion will be the 2021 Base budget as submitted by the executive and tied out by the Legislative Fiscal Division.
 - a. If the chair of the subcommittee has reasons to add change packages to alter the starting point for legislative decision making, they will work with the Legislative Fiscal Division to assure that desired changes are possible within the parameters of IBARS and the limitations of staff time.
2. Personal Services – Recommend subcommittees consider the statewide present law (SWPL) personal services adjustments with the following decision points:
 - a. Expected changes
 - b. Personal services management decisions
 - c. Budget modifications that impacted personal services budgets Adopt the level of vacancy savings recommended by Governor Gianforte.
3. Fixed Costs – Recommend the Section A and Section C subcommittees examine fixed cost rates and provide directions regarding the acceptance of the rates to the other subcommittees. Any adjustments should be made on a consistent basis.
4. Inflation/Deflation – Direct the Section C subcommittee to examine the inflation/deflation factors and provide directions to the other subcommittees. Any adjustments shall be made on a consistent basis.
5. Proposals requiring Legislation – Appropriations for items requiring statutory change should not be included in HB 2 until the required legislation passes, except for K-12 present law inflation and items contained in a HB 2 Companion bill.
6. HB 2 Companion Bill – Appropriation subcommittees shall determine any appropriate items for inclusion into a HB 2 companion bill and provide those items to the full House Appropriations Committee for further review. House Appropriations Committee Leadership will provide a vehicle or vehicles for enacting substantive language related to the implementation of appropriations in HB 2 and this legislation will be considered as part of the appropriations process.
7. Subcommittees are encouraged to use set outcome goals for the current budget evaluation that include:
 - a. Evaluate items receiving one-time only appropriations or further study in the interim last session

- b. Other items identified by the committee
- 8. Internal Service Programs – The appropriation subcommittees should not approve decision packages of internal service funded proprietary programs unless quantifiable rate impact information is provided.
- 9. Set outcome goals for the next session such as:
 - a. Specific areas for evidence-based analysis
 - b. Specific budget areas to be explained from zero to the recommended budget
 - c. Specific performance measures to evaluate new programs
 - d. Other items identified by the committee
- 10. Volume 10 - Information technology budget process recommendations. Each subcommittee should consider the comparisons in volume 10 when adopting the IT budget for each agency. Section A subcommittee should review format of volume 10 and make recommendations for the next session.
- 11. Only approve statutory appropriations that meet all the statutory guidance, [17-1-508](#), MCA. Specifically, do not approve statutory appropriations for administrative or operational expenditures.
- 12. For subcommittee hearing process: Require all materials that an agency intends to use in presentation to subcommittees be delivered to subcommittee members not later than 3 committee days before the presentation.
- 13. Public comment will be run through the Legislative Branch website: [Have Your Say Montana - Montana State Legislature \(mt.gov\)](#)
- 14. Subcommittees should review any COVID-19 specific budget considerations of each agency.