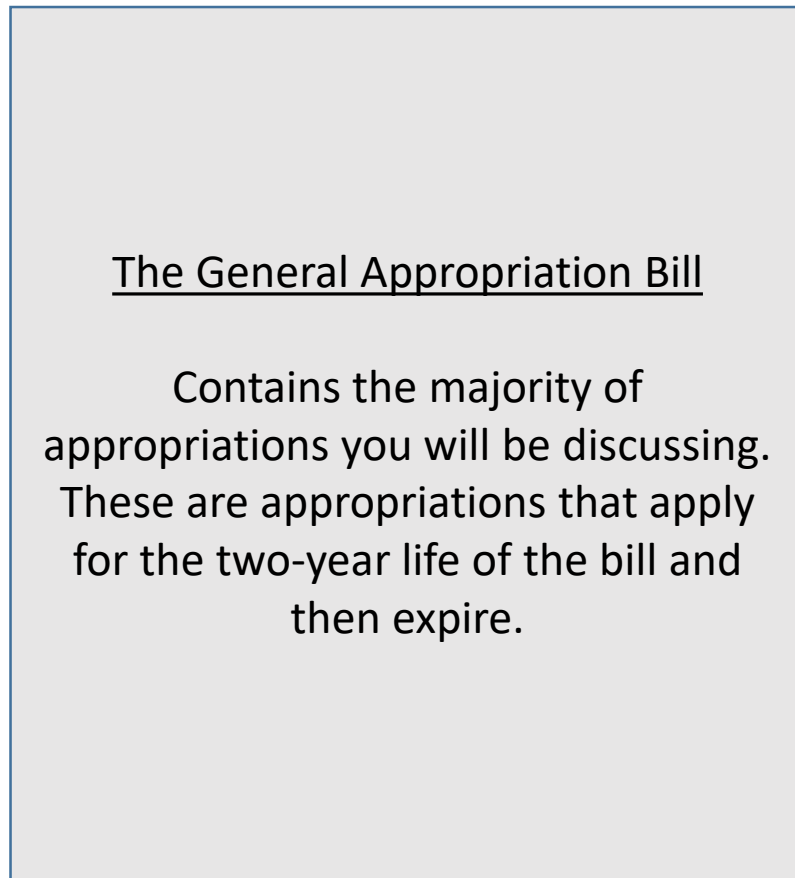


Appropriations Process

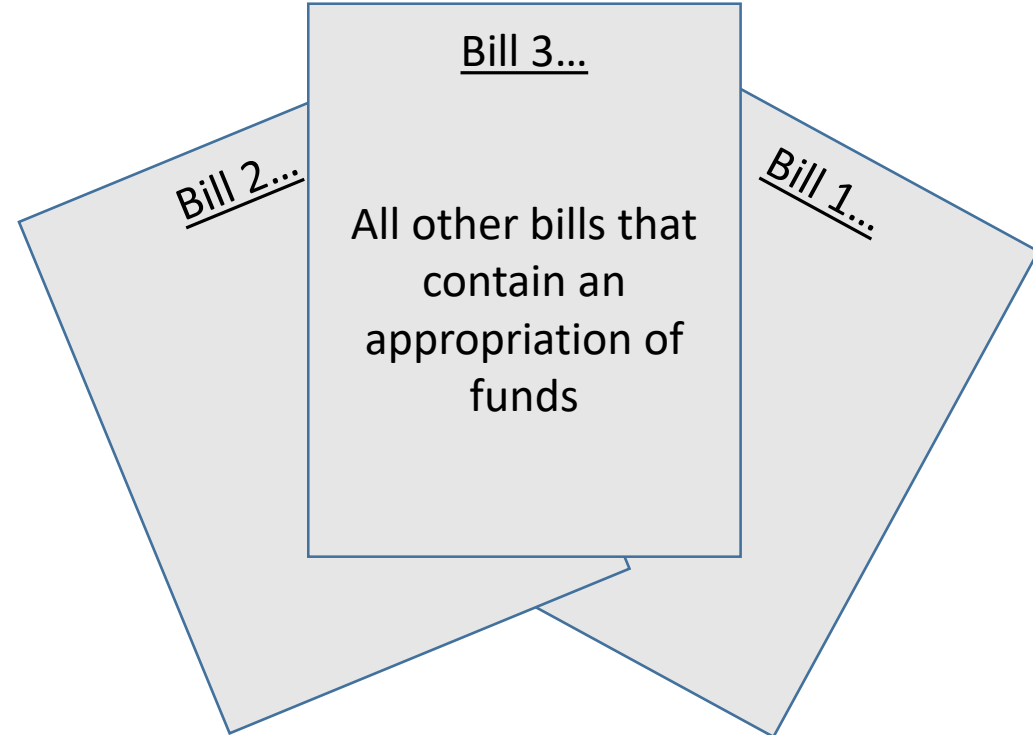
From Subcommittee to Free Conference Committee

Two Areas of Appropriation

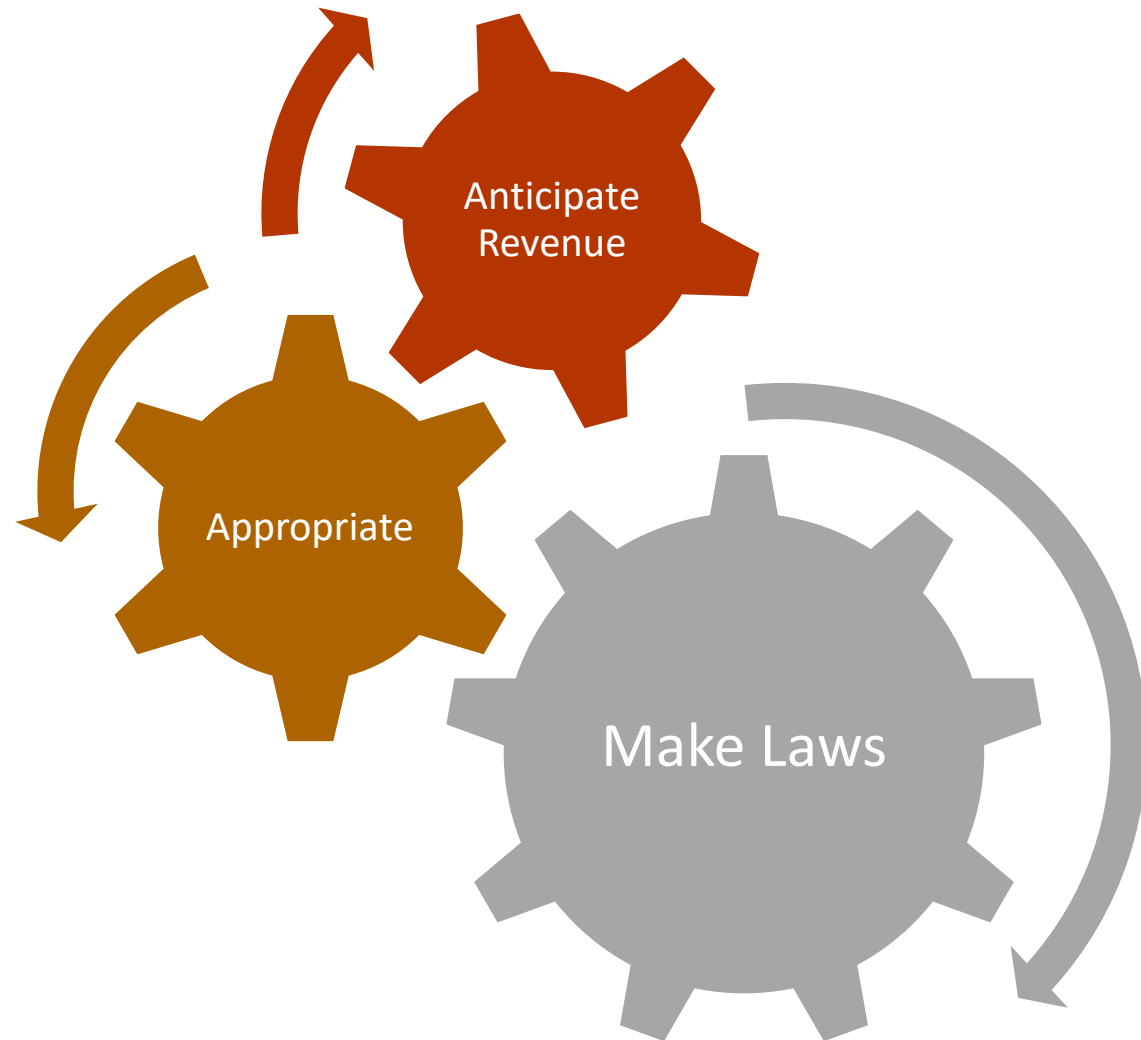
- HB 2



- Other Appropriation Bills



Legislative Responsibility



The Legislature and the MT Constitution...

- Only the Legislature has the power to appropriate (Art VIII, Sec 14)
- HB 2, the general appropriations act, shall contain only appropriations for the ordinary expenses of the three branches of government, interest on the public debt, and for public schools (Art V, Sec 11)
- Every other appropriation shall be made by a separate bill, containing but one subject (Art VIII, Sec 14)

Balanced Budget

- Appropriations by the legislature shall not exceed anticipated revenue (Art VIII, Sec 9)

HB 2

	Fiscal 2018					Fiscal 2019						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	0	1,649,000	0	0	0	1,649,000	0	1,657,000	0	0	0	1,657,000
d.	Hard Rock Mining Reserve (Restricted)											
	0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
e.	Quality Schools (Restricted/OTO)											
	0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
3.	Housing Division (74)											
	0	75,000	358,921	0	0	433,921	0	75,000	358,921	0	0	433,921
4.	Board of Horseracing (78)											
	0	196,771	0	0	0	196,771	0	196,768	0	0	0	196,768
5.	Director's Office (81)											
	0	0	500,000	0	0	500,000	0	0	500,000	0	0	500,000
<hr/>												
Total	3,769,951	8,649,029	18,107,305	0	0	30,526,285	3,767,320	8,622,766	18,100,610	0	0	30,490,696

Coal Board HB 209 is contingent on the passage and approval of House Bill No. 209

If SB 307 is passed and approved and neither SB 367 nor HB 645 are passed and approved with funds for quality schools facility program grants, Quality Schools is void.

DEPARTMENT OF LABOR AND INDUSTRY (66020)

1.	Workforce Services Division (01)											
	0	11,185,700	17,367,340	0	0	28,553,040	0	11,188,764	17,419,248	0	0	28,608,012
a.	HELP Act Workforce Development (Restricted)											
	0	884,134	0	0	0	884,134	0	884,101	0	0	0	884,101
2.	Unemployment Insurance Division (02)											
	0	5,066,301	10,529,488	0	0	15,595,789	0	5,092,816	10,549,049	0	0	15,641,865
3.	Commissioner's Office/Centralized Services Division (03)											
	288,568	356,761	462,183	0	0	1,107,512	288,698	356,926	463,828	0	0	1,109,452
4.	Employment Relations Division (04)											

Fiscal 2018					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
0	1,649,000	0	0	0	1,649,000
d.	Hard Rock Mining Reserve (Restricted)				
0	100,000	0	0	0	100,000
e.	Quality Schools (Restricted/OTO)				
0	100,000	0	0	0	100,000
3.	Housing Division (74)				
0	75,000	358,921	0	0	433,921
4.	Board of Horseracing (78)				
0	196,771	0	0	0	196,771
5.	Director's Office (81)				
0	0	500,000	0	0	500,000
Total					
3,769,951	8,649,029	18,107,305	0	0	30,526,285

Fiscal 2019					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
0	1,657,000	0	0	0	1,657,000
0	100,000	0	0	0	100,000
0	100,000	0	0	0	100,000
0	75,000	358,921	0	0	433,921
0	196,768	0	0	0	196,768
0	0	500,000	0	0	500,000
Total					
3,767,320	8,622,766	18,100,610	0	0	30,490,696

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3.	Commissioner's Office/Centralized Services Division (03)				
288,568	356,761	462,183	0	0	1,107,512
4.	Employment Relations Division (04)				

0	11,188,764	17,419,248	0	0	28,608,012
0	884,101	0	0	0	884,101
0	5,092,816	10,549,049	0	0	15,641,865
288,698	356,926	463,828	0	0	1,109,452

		Fiscal 2018				
		State	Federal			
FY 2020						
		July 1, 2019		June 30, 2020		
		0	100,000	0	0	100,000
3.	Housing Division (74)	0	75,000	358,921	0	433,921
4.	Board of Horseracing (78)	0	196,771	0	0	196,771
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		Fiscal 2019				
		State	Federal			
FY 2021						
		July 1, 2020		June 30, 2021		
		0	100,000	0	0	100,000
		0	75,000	358,921	0	433,921
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		0	884,101	0	0	884,101
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Fiscal 2018						Fiscal 2019					
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0	1,649,000	0	0	0	1,649,000	0	1,657,000	0	0	0	1,657,000
d.	Hard Rock Mining Reserve (Restricted)					0	100,000	0	0	0	100,000
e.	Quality Schools (Restricted/OTO)					0	100,000	0	0	0	100,000
3.	Housing Division (74)					0	75,000	358,921	0	0	433,921
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5.	Director's Office (81)					0	0	500,000	0	0	500,000
Total						3,769,951	8,649,029	18,107,305	0	0	30,526,285
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3.	Commissioner's Office/Centralized Services Division (03)					288,568	356,761	462,183	0	0	1,107,512
4.	Employment Relations Division (04)					288,698	356,926	463,828	0	0	1,109,452

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3.	Housing Division (74)											
	0	75,000	358,921	0	0	433,921	0	75,000	358,921	0	0	433,921
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5.	Director's Office (81)											
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<hr/>												
Total	3,769,951	8,649,029	18,107,305	0	0	30,526,285	3,767,320	8,622,766	18,100,610	0	0	30,490,696

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	0	1,649,000	0	0	0	1,649,000	0	1,657,000	0	0	0	1,657,000
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	0	884,134	0	0	0	884,134	0	884,101	0	0	0	884,101
2.	Unemployment Insurance Division (02)											
	0	5,066,301	10,529,488	0	0	15,595,789	0	5,092,816	10,549,049	0	0	15,641,865
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	288,568	356,761	462,183	0	0	1,107,512	288,698	356,926	463,828	0	0	1,109,452
4.	Employment Relations Division (04)											

End of Last Department

Beginning of New Department

	Fiscal 2018					Fiscal 2019						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	0	1,649,000	0	0	0	1,649,000	0	1,657,000	0	0	0	1,657,000
d.	Hard Rock Mining Reserve (Restricted)											
	0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
e.	Quality Schools (Restricted/OTO)											
	0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
3.	Housing Division (74)											
	0	75,000	358,921	0	0	433,921	0	75,000	358,921	0	0	433,921
4.	Board of Horseracing (78)											
	0	196,771	0	0	0	196,771	0	196,768	0	0	0	196,768
5.	Director's Office (81)											
	0	0	500,000	0	0	500,000	0	0	500,000	0	0	500,000
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a.	HELP Act Workforce Development (Restricted)											
	0	884,124	0	0	0	884,124	0	884,101	0	0	0	884,101
2.	Unemployment Insurance Division (02)											
	0	5,066,301	10,529,488	0	0	15,595,789	0	5,092,816	10,549,049	0	0	15,641,865
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	0	1,649,000	0	0	0	1,649,000	0	1,657,000	0	0	0	1,657,000
d. Hard Rock Mining Reserve (Restricted)												
	0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
e. Quality Schools (Restricted/OTO)												
	0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000
3. Housing Division (74)												
	0	75,000	358,921	0	0	433,921	0	75,000	358,921	0	0	433,921
4. Board of Horseracing (78)												
	0	196,771	0	0	0	196,771	0	196,768	0	0	0	196,768
5. Director's Office (81)												
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	0	0	500,000	0	0	500,000	0	0	500,000	0	0	500,000
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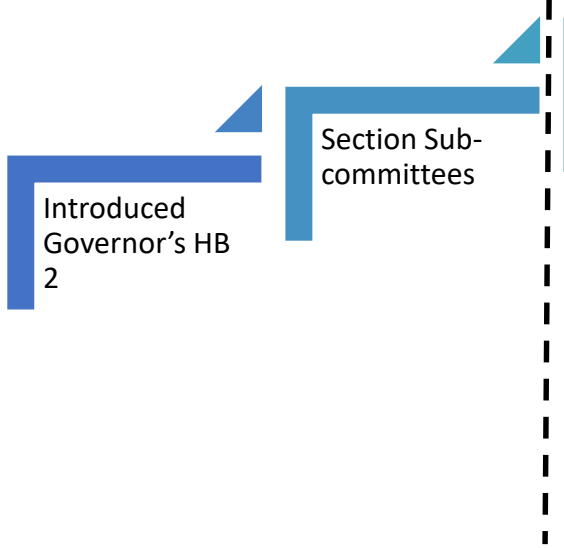
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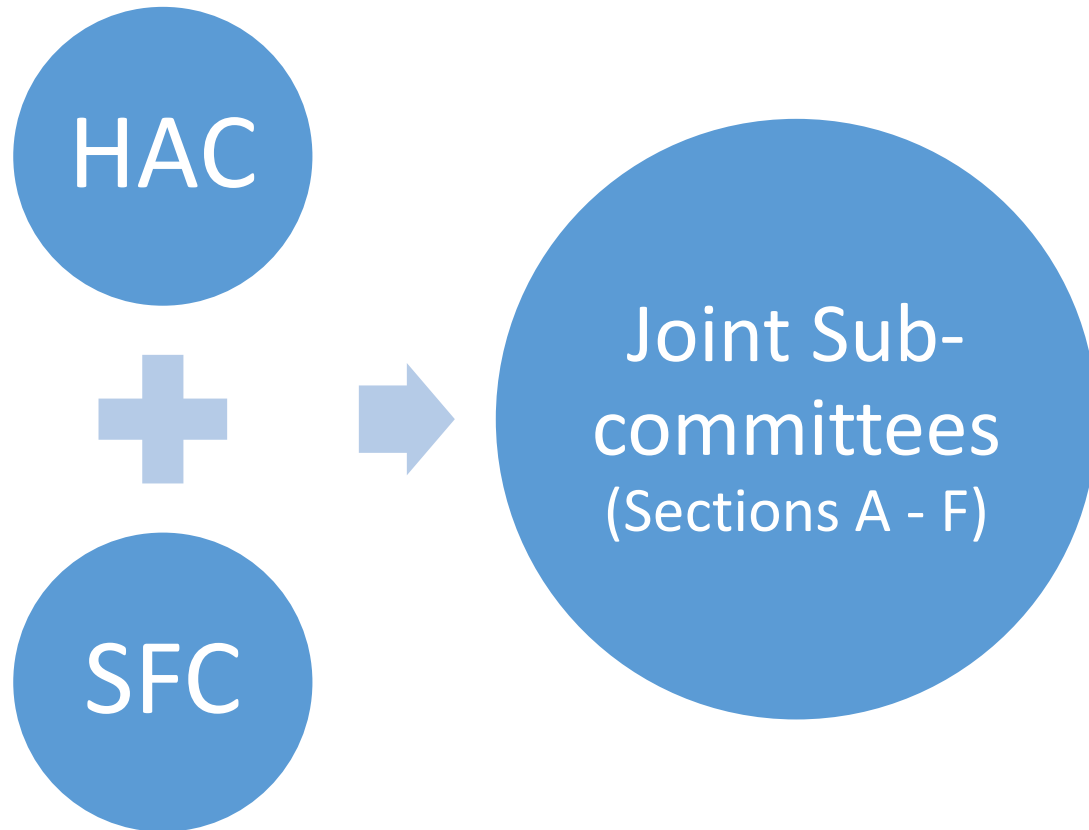
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4.	Employment Relations Division (04)											

HB 2 Process

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

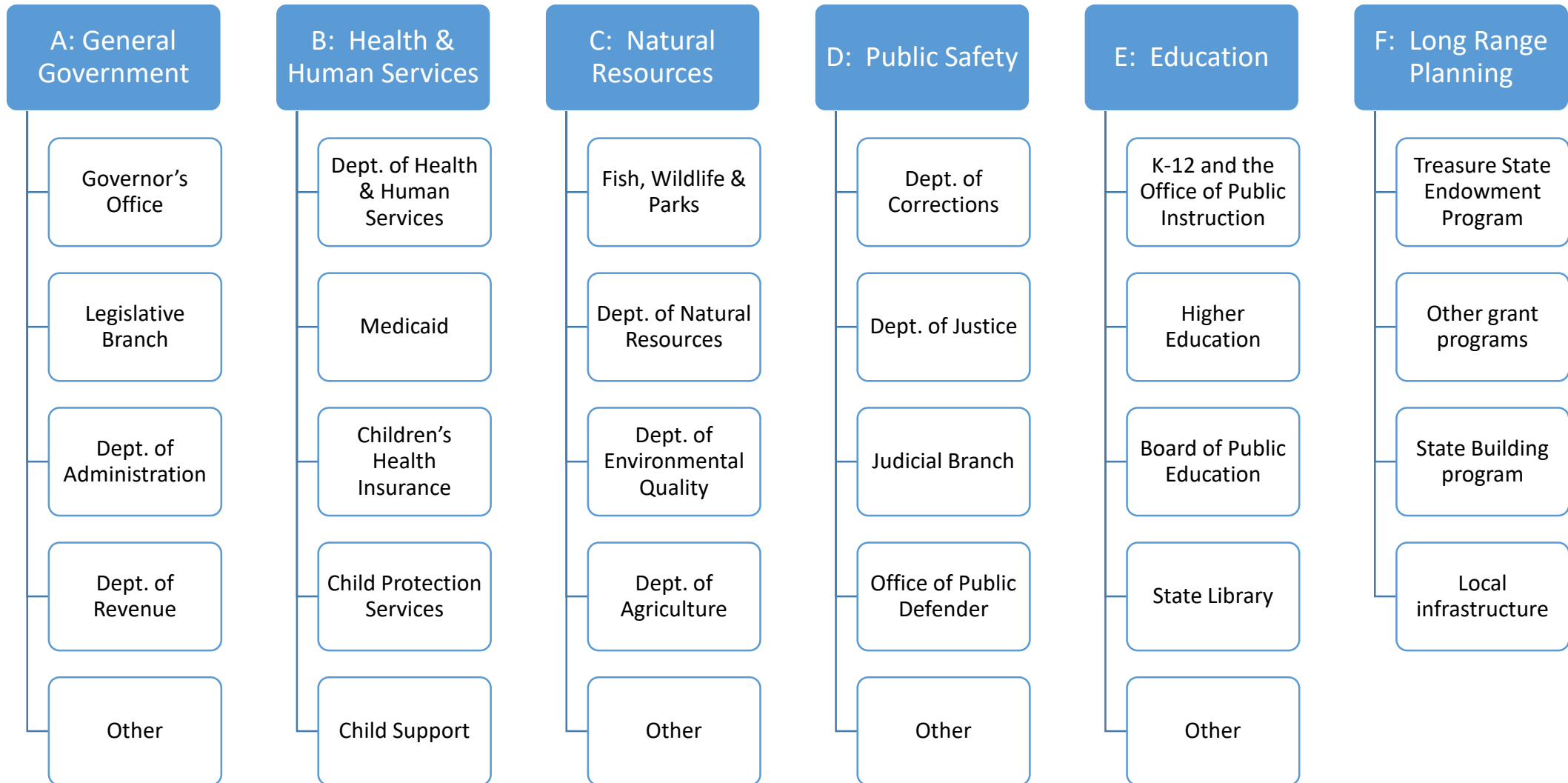


Joint Subcommittees



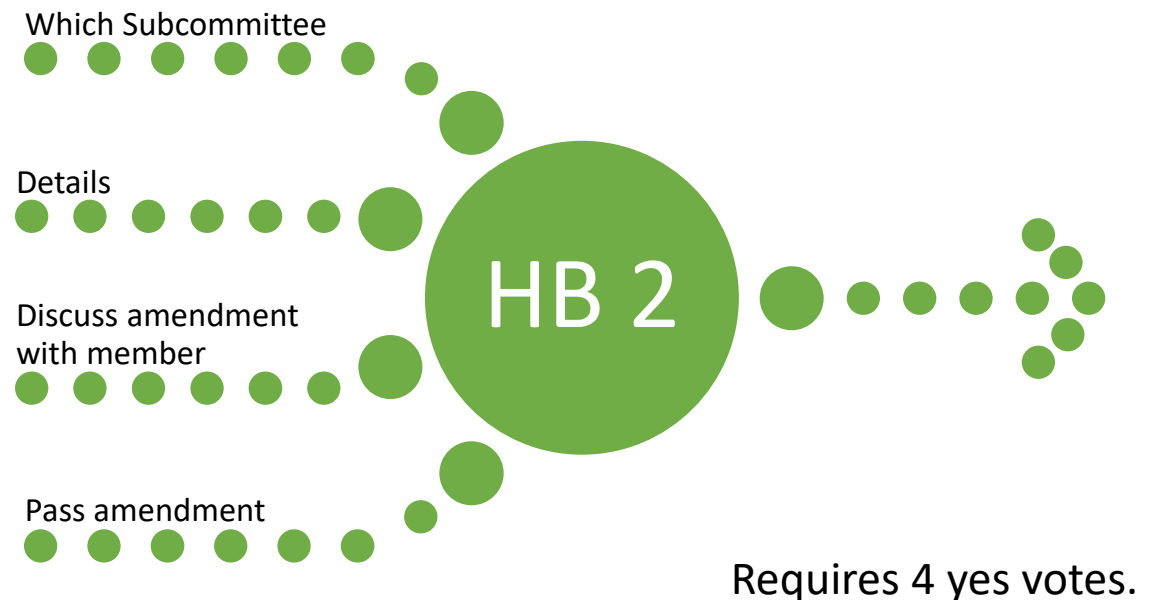
- Members of House Appropriations (HAC) and Senate Finance and Claims (SFC) comprise the membership of Section Subcommittees

Joint Sub-committee Sections



I am not on a subcommittee, but I want to make a budget change. What do I do?

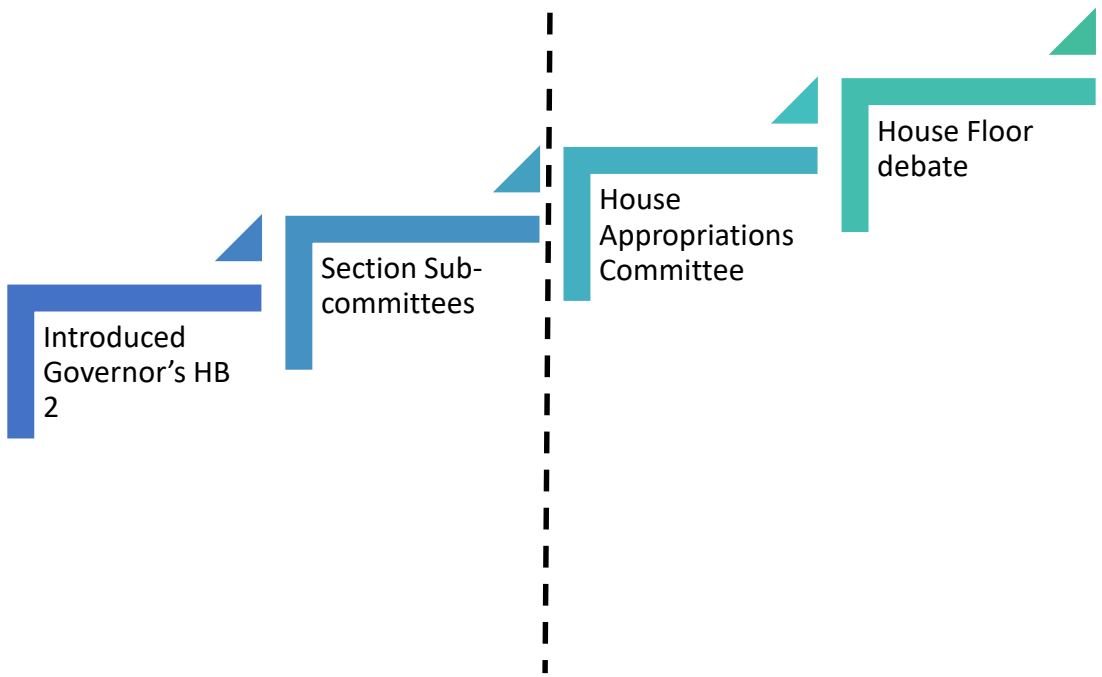
- Ask any Legislative Fiscal Division (LFD) staff and they will help you find the person with the details
- Understand the details of what you are asking:
 - Has it been requested by the Governor?
 - Has it already been funded in HB 2 or other appropriation bill?
 - Is it a “big ask”?
- Talk to a member of the subcommittee about having LFD staff draft an amendment and then move the amendment



HB 2 Process

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

House Action:
45th day to the
67th day

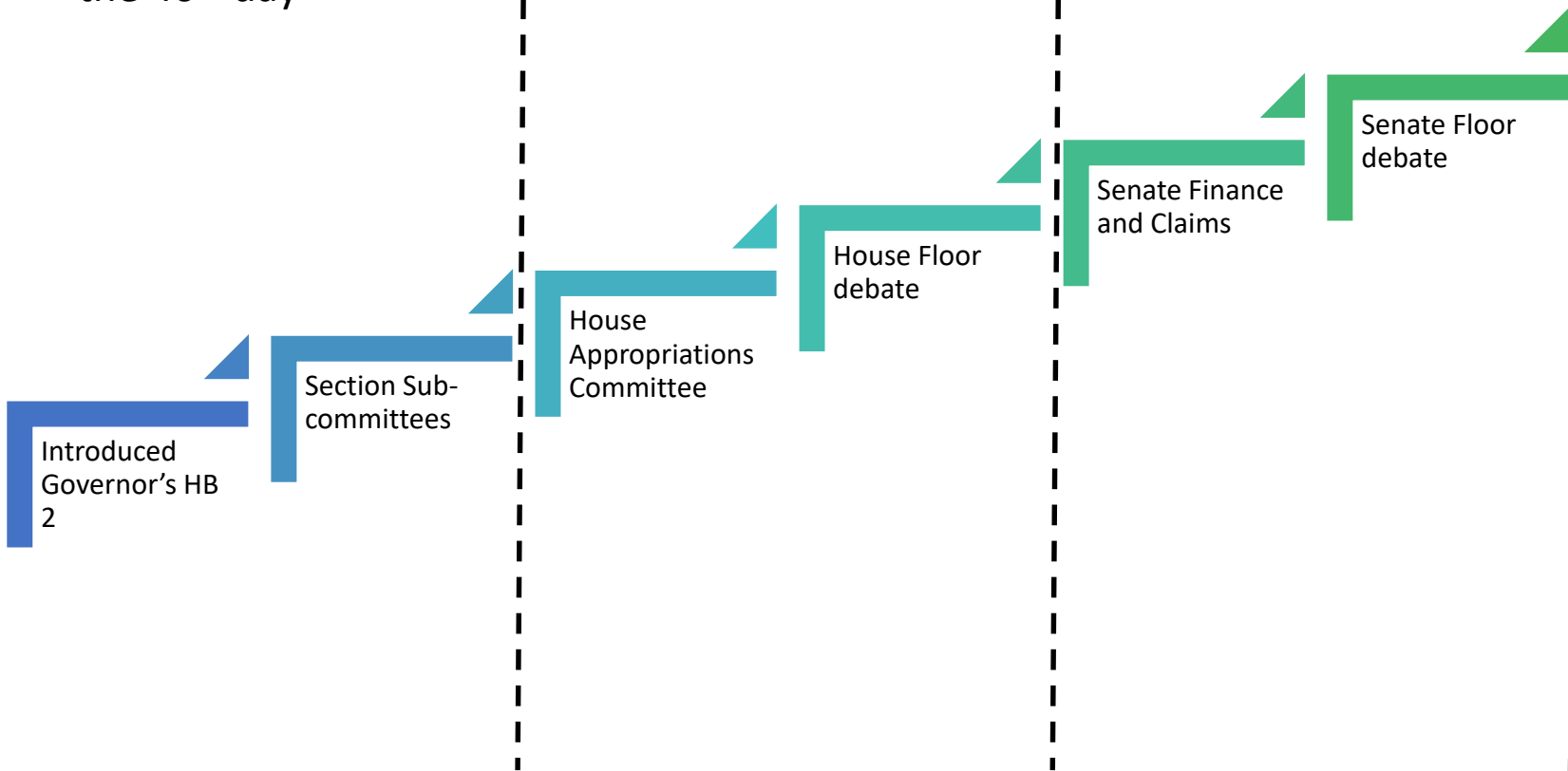


HB 2 Process

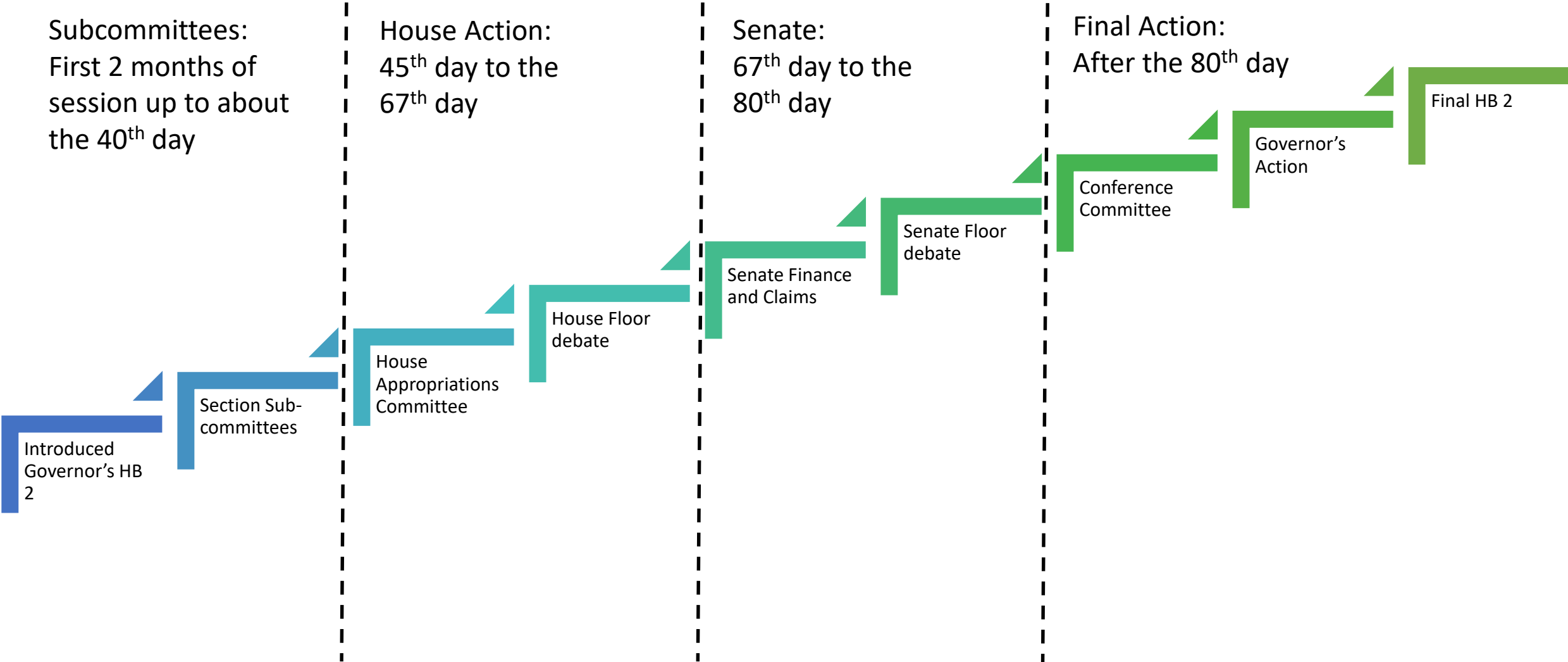
Subcommittees:
First 2 months of
session up to about
the 40th day

House Action:
45th day to the
67th day

Senate:
67th day to the
80th day



HB 2 Process



Any questions about the HB 2 process?

Other Appropriation Bills

Example of Other Appropriation Bill

65th Legislature

HB0007



AN ACT IMPLEMENTING THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; **APPROPRIATING MONEY** TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Other Appropriation Bills

House Action:

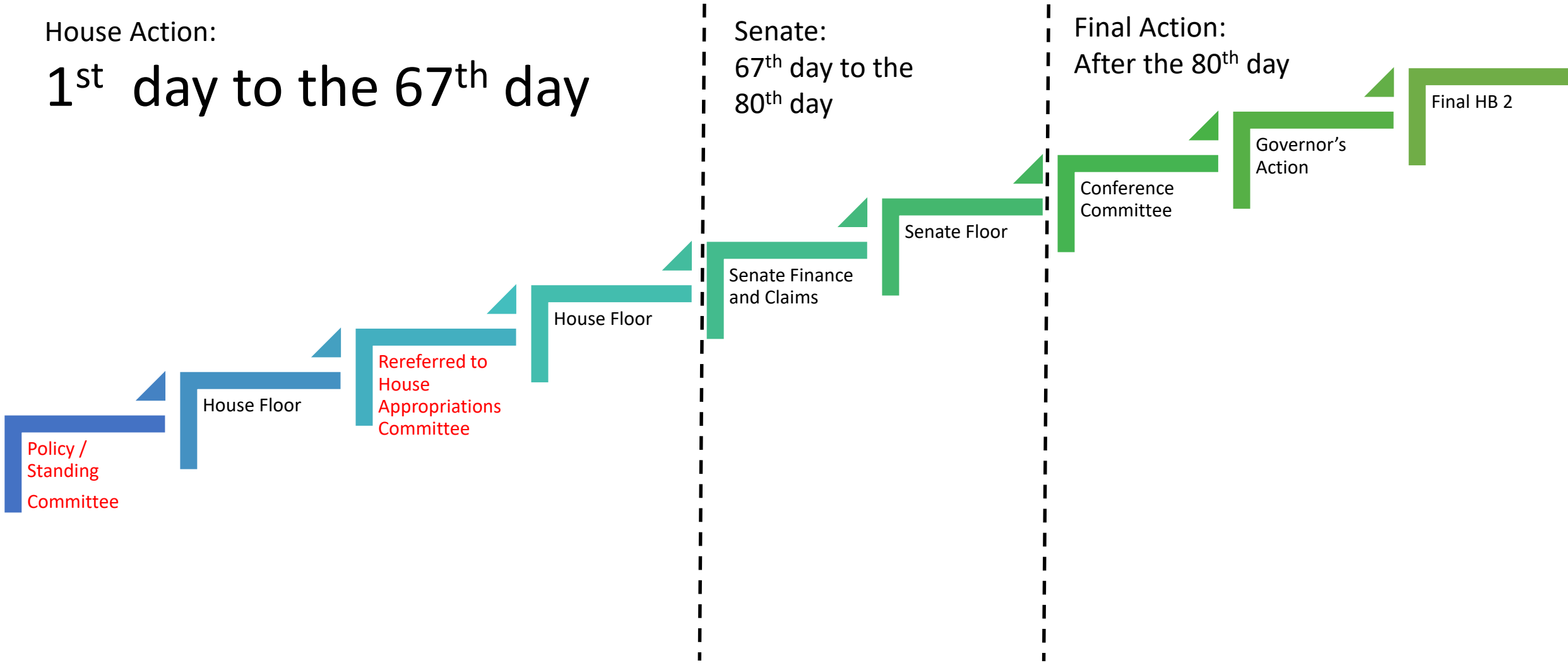
1st day to the 67th day

Senate:

67th day to the 80th day

Final Action:

After the 80th day



Example of Other General Bill

HOUSE BILL NO. 239

INTRODUCED BY B. HARRIS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING INCOME TAX BENEFITS TO EMPLOYERS AND STUDENTS FOR HIGHER EDUCATION EXPENSES; PROVIDING TAX CREDITS TO EMPLOYERS THAT PAY HIGHER EDUCATION EXPENSES AND STUDENT LOANS ON BEHALF OF CERTAIN EMPLOYEES; PROVIDING A PHASE-IN FOR THE TAX CREDITS; PROVIDING AN EXCLUSION FROM STATE ADJUSTED GROSS INCOME FOR STUDENT LOAN REPAYMENTS MADE BY AN EMPLOYER; EXEMPTING EMPLOYER HIGHER EDUCATION EXPENSES AND STUDENT LOAN PAYMENTS FROM WAGES FOR PURPOSES OF ~~UNEMPLOYMENT INSURANCE AND~~ WORKERS' COMPENSATION; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-30-2110, ~~39-51-204~~, AND 39-71-123, MCA; AND PROVIDING AN ~~IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.~~"

General Bills with Significant Fiscal Notes Process

House Action:

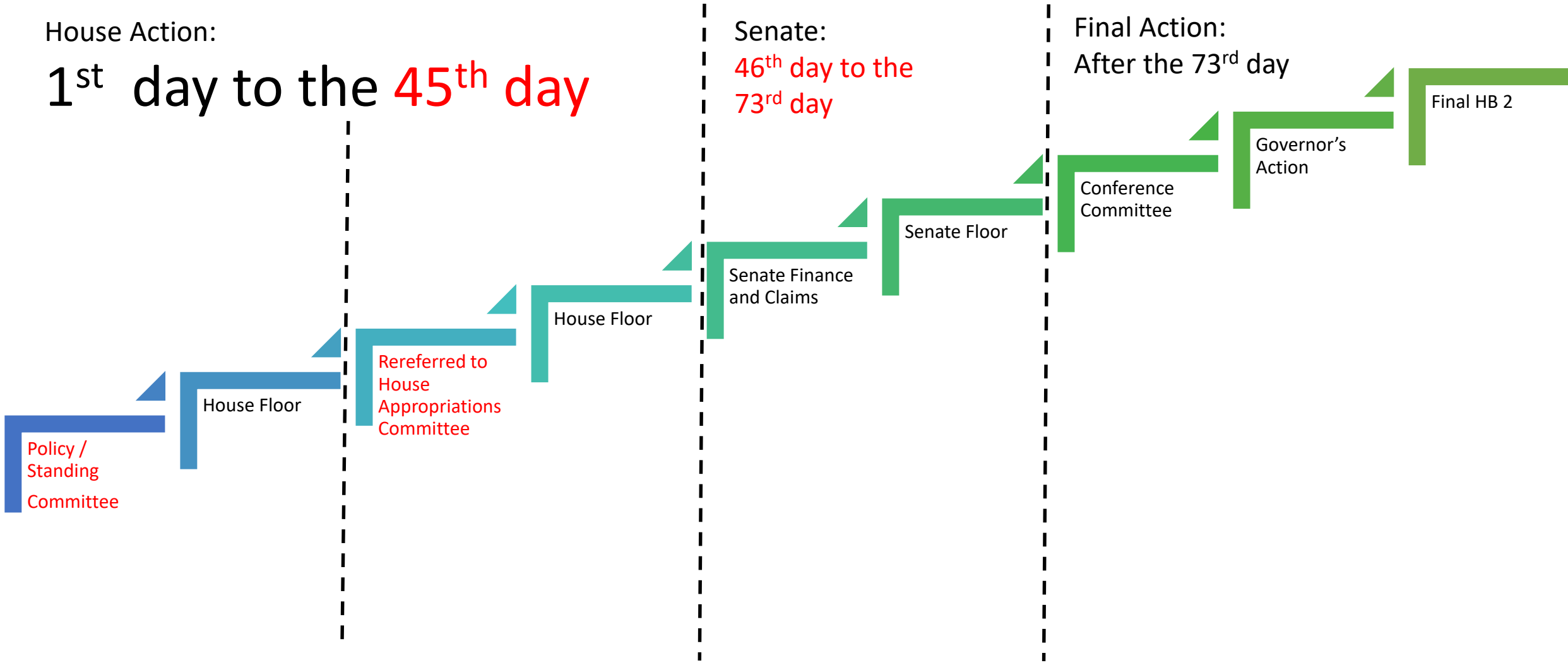
1st day to the 45th day

Senate:

46th day to the 73rd day

Final Action:

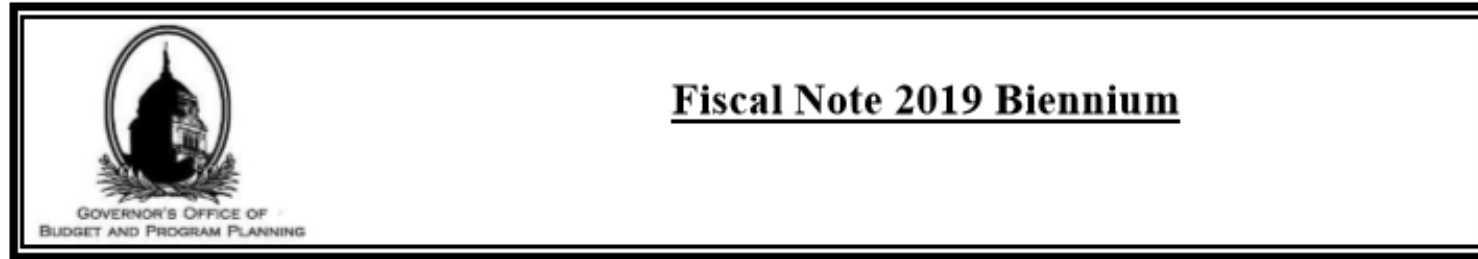
After the 73rd day



What is a Fiscal Note?

- A brief document that contains an analysis of a bill's dollar impact on state or local revenue, expenditures, or fiscal liability
- Fiscal Notes are not required for bills that appropriate a specific dollar amount
- Fiscal Notes are prepared by the Governor's Budget Office, with help from affected agencies

Example of Fiscal Note



Bill #	HB0239	Title:	Provide income tax benefits to employers and students for higher education costs
Primary Sponsor:	Harris, Bill	Status:	As Amended in House Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$58,077	\$36,416	\$36,963
Revenue:				
General Fund	\$0	(\$430,715)	(\$940,635)	(\$1,386,815)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>(\$488,792)</u>	<u>(\$977,051)</u>	<u>(\$1,423,778)</u>

Choices When You Don't Agree

Talk to OBPP

- When an impact of the bill is missing
- When you want their opinion to fix

Talk to LFD

- When you are unsure what the fiscal note is saying & want to understand before next steps
- When you would like alternative assumptions calculated

Write your own or don't sign

- When you disagree and the OBPP will not change, submit a Sponsor's Rebuttal
- Don't sign, which sends a message you disagree

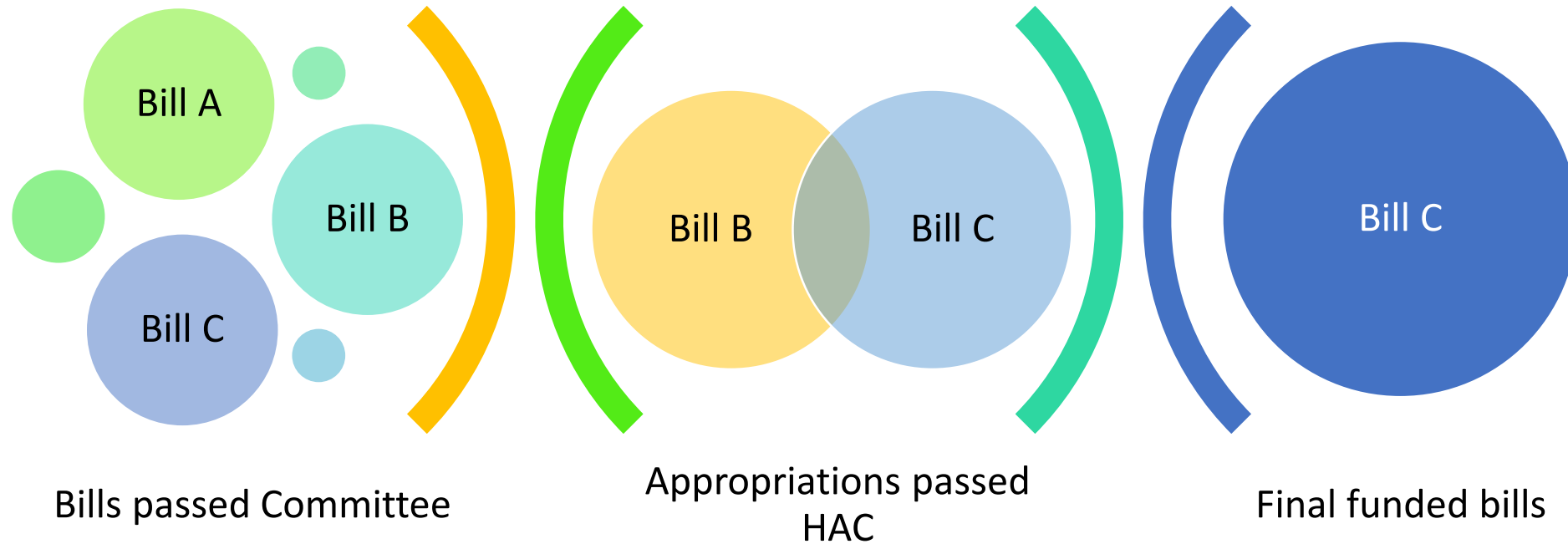
Ask leadership for fiscal analysis

- When fiscal note assumptions are **significantly** incorrect and OBPP will not change
- Or when material impact to the General Fund Status Sheet

How do bills without appropriations get funded?

- Amend the bill to add an appropriation for a specific purpose from a specific source
- Amend funding into HB 2
- After HB 2 is through both the House and Senate with differences
 - HB 2 conference committee
 - HB 2 free conference committee

Of all the appropriation bills other than HB 2,
only a few get funded

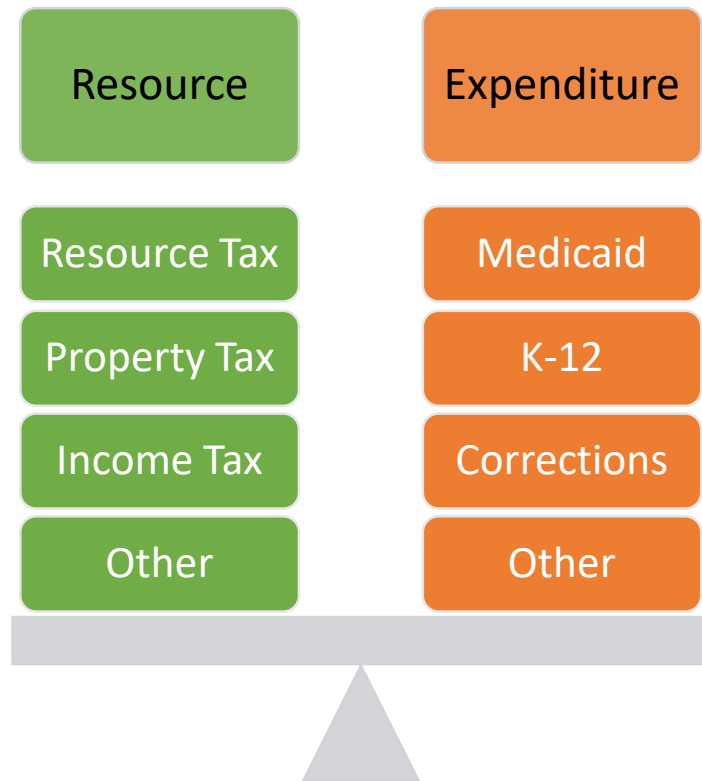


Remember: We must find
balance in everything

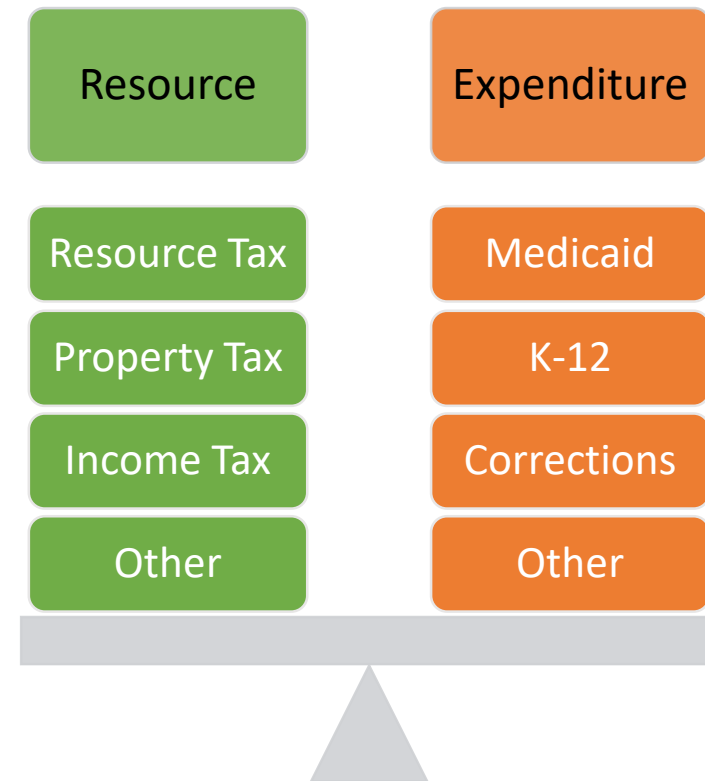
...at the very least balance the budget

Balancing the General Fund Budget

Governor's Budget will be Balanced

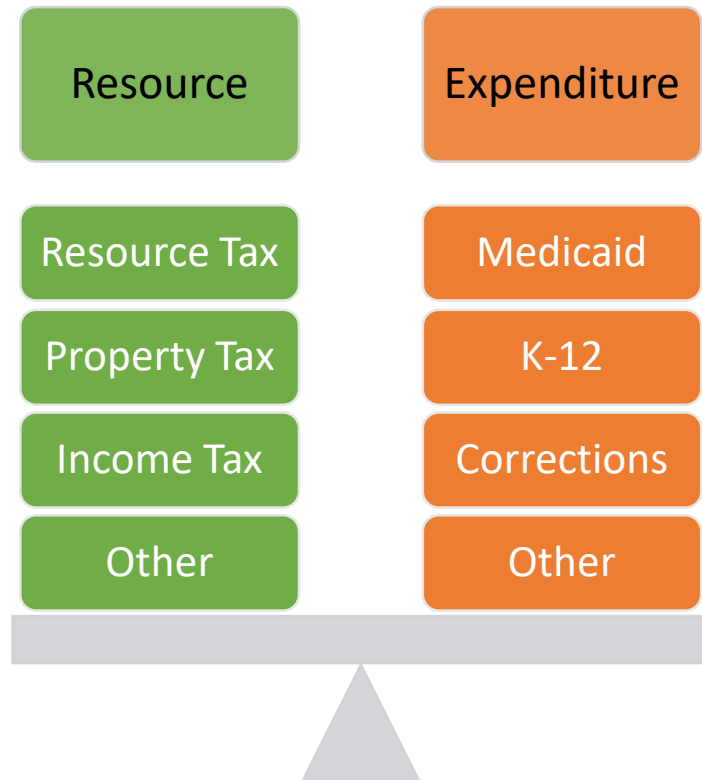


Legislative Budget must be Balanced



Balancing the General Fund Budget

Governor's Budget will be Balanced



Legislative Budget must be Balanced

- In order to add expenditures, new resources must be found or new priorities set from the Governor's Budget
- This is a challenge

Questions?