

LEGISLATIVE FINANCE COMMITTEE WORK PLAN

2021 INTERIM

The work plan for the LFC this interim is more defined than typical. HB 715, HB 657, HB 633, and SB 310 each have specific study elements required for this interim. Yet there will also be opportunities for other research that the committee would like to accomplish either in the subcommittees or in the full LFC.

Legislative Finance Committee Studies and coordinated study:

HB 715 State and Local Budget Sustainability – Assumed to be May 2019 to January 2020

This analysis will gather data and test assumptions for state and local government and public pensions. A key output will be observations of trends over the past 20 years and the evaluation of potential outcomes of future budgets. It will specifically look at: risks, opportunities, present law budgets, trended budgets, and other spending and revenue pressures.

HB 715 Financial Modernization and Risk Analysis (MaRA) – assumed to be January to September 2020

This study is a separate committee with six members from the LFC and four other members. It will take the data compiled from work from last interim, HB 715 Budget Sustainability, and other interim committee input to analyze how Montana can move its financial plan forward with the changing economy and demographics.

HB 715 Personal Services Budgeting – assumed to occur throughout the interim

This analysis will evaluate options for personal services budgeting including understanding of the current “snapshot” budgeting and calculated methods.

HB 657 Study Community College Funding Formula and CTE Funding

This study will follow up on previous interim and session work regarding community college, career and technical education, and special education funding. A subcommittee is required in the bill for this study.

HB 633 Create Digital Library Services State Special Revenue Account

The Legislative Finance Committee is charged with finding a method to adequately and fairly distribute the cost of administering and operating the natural resource information system and other digital library services among state agencies and private or commercial entities.

SB 310 Revise Laws Related to Legislature And Budgeting

The Legislative Finance Committee is requested to work with the Legislative Council in the following areas:

- (a) evaluation of other state legislatures' interim policy and budget processes and procedures that encourage development of legislators' understanding of both policy and budget;
- (b) evaluation of the session calendar, schedules, and transition required to allow for an odd-year session focused on adjusting the policy and statutory changes in 45 days or less;
- (c) evaluation of the session calendar, schedules, and transition required to allow for an even-year session focused on adopting a biennial budget in 45 days or less; and
- (d) consideration of the best approach to each interim following a policy session in preparation for the budget session and each interim following a budget session in preparation for the policy session

In addition, there are two additional studies that are separate from the LFC, but the LFC may wish to stay abreast of what is happening in these studies:

HB 369 Create Criminal Justice Oversight Council

HB 754 Create study commission to review MUS restructuring

Subcommittees

To address the full range of issues for this interim, the LFC adopted the following subcommittees for the 2021 Interim

| Subcommittee | Topics | Members | Staff |
|--|--|--|--|
| Education: HB 657 and HB 633 | Evaluate the assigned education studies | Sen. Ellis Sen. Salomon Rep. Jones Rep. Bedey Rep. Grubbs* Sen. McClafferty* Rep. Funk* Rep. Hamlett* | Kris Wilkinson, primary Katie Guenther Julia Platt |
| Legislative Sessions: SB 310 and personal services budgeting | Evaluate the items in SB 310 related to budget schedules and processes in annual sessions and personal services budgeting as described in HB 715 | Sen. Osmundson Sen. Sesso Sen. Jacobson Rep. Ryan Rep. Hopkins | Quinn Holzer, primary Kris Wilkinson |
| Information: ITSD and Results First | Evaluate ITSD reporting, Security, DPHHS data, and Results First | Sen. Keenan Rep. Caferro Rep. Peppers Rep. Ballance Rep. Holmlund | Joshua Poulette, primary Katie Guenther |
| Local Government Budget interactions: OPD and Pensions | Evaluate the pensions stress testing in HB 715 and follow up on the Office of Public Defender items raised in Section D subcommittee | Rep. Lynch Rep. Hamilton Rep. Mercer Rep. Dudik | Sam Schaefer, primary Marci Lewandowski |

Subcommittees will meet the day before or after the full LFC meeting at the time set by each subcommittee.

Given that it is uncertain of the amount of work or commitment of the topics in each subcommittee, it may be appropriate to evaluate this process midway through the interim to see if changes are necessary.

Other Committees Financial Modernization and Risk Analysis Study

In January 2020, the Financial Modernization and Risk Analysis (MaRA) Committee will start up. Appointments to this Committee will occur by December of 2019. Tentatively, the MaRA committee of six LFC members and four other members would meet the day after the full LFC meeting.

Other Research Topics

If LFC members are interested in additional topics to be considered this interim, staff will bring a plan back to the next meeting to attempt to accomplish all the goals of the LFC.

Meeting Timeline

Attached to this updated document is a suggested timeline of each meeting of the LFC.

LFC Meetings as of September 2019

| Month | Subcommittee Day 1 | Full LFC Agenda Items - Day 2 | Subcommittees Day 3 |
|---------------|---|--|---|
| <i>May-19</i> | | May 29 meeting, partially with Council | |
| <i>Sep-19</i> | <i>16-Sep</i> Sessions and PS Budgeting Information Local Gov't Budget Interactions | <i>17-Sep</i> Quarterly Report FYE 2019 and 21 Bi Update ITSD regular report Subcommittees report to full committee HB 715 update of Sustainability of state/local government | <i>18-Sep</i> Education: HB 657 and HB 633 |
| <i>Dec-19</i> | <i>16-Dec</i> Sessions and PS Budgeting Information Local Gov't Budget Interactions Education: HB 657 and HB 633 | <i>17-Dec</i> Quarterly Report 21 Bi through November 2019 ITSD regular report Subcommittees report to full committee Pension update from Boards HB 715 Sustainability of state and local government *Regional expenditures and revenues | <i>18-Dec</i> |
| <i>Jan-20</i> | <i>14-Jan</i> HB 715 Sustainability of State & Local | <i>15-Jan</i> HB 715 Sustainability of State & Local LFC meeting | <i>16-Jan</i> HB 715 MaRA kick off |
| <i>Mar-20</i> | <i>23-Mar</i> Sessions and PS Budgeting Information Local Gov't Budget Interactions Education: HB 657 and HB 633 | <i>24-Mar</i> Quarterly Report through February 2020 - 21 Bi ITSD regular report HB 52 Depts of Commerce and Agriculture reports to LFC Subcommittees report to full committee | <i>25-Mar</i> HB 715 MaRA |

| Month | Subcommittee Meetings - Day 1 | Full LFC Agenda Items - Day 2 | Day 3 |
|--|---|---|---|
| <i>Jun-20</i> | <i>8-Jun</i> Sessions and PS Budgeting Information Local Gov't Budget Interactions Education: HB 657 and HB 633 | <i>9-Jun</i> Quarterly Report through May 2020 - 21 Bi ITSD regular report Subcommittees report to full committee General Fund Outlook 2023 biennium | <i>10-Jun</i> HB 715 MaRA |
| <i>Sep-20</i> | <i>14-Sep</i> Sessions and PS Budgeting Information Local Gov't Budget Interactions Education: HB 657 and HB 633 | <i>15-Sep</i> Quarterly Report FYE 2020 - 21 Bi ITSD regular report Subcommittees report to full committee 23 Biennium Base budget report 23 Biennium Personal services budgets LFC Recommendations for 2021 session - overview | <i>16-Sep</i> HB 715 MaRA Finalize SB 310 |
| <i>Dec-20</i> Same week established by Council Usually the first full week of December | | <i>TBD</i> 2023 Biennium Governor's Budget overview LFC Recommendations for 2021 session Pension system update | <i>TBD</i> HB 715 MaRA possible |