

HOUSE BILL NO. 3

INTRODUCED BY N. BALLANCE

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING EXPENDITURES AND APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 2017; AUTHORIZING THE GOVERNOR TO MANDATE REDUCTIONS TO EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2017; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Time limits.** The appropriations contained in [section 2] are intended to provide necessary and ordinary expenditures for the fiscal year ending June 30, 2017. The unspent balance of any appropriation must revert to the appropriate fund.

NEW SECTION. **Section 2. Appropriations.** The following money is appropriated, subject to the terms and conditions of [section 1]:

Agency and Program	Amount	Fund
Office of Public Instruction		
Base Aid	\$16,500,000	General Fund
Office of Commissioner of Higher Education		
STEM Scholarships	\$358,000	General Fund
Department of Corrections		
Secure Facilities	\$3,148,125	General Fund
Department of Commerce		
Coal Board Grants	\$1,945,617	State Special Revenue

1 **NEW SECTION. Section 3. Authority to reduce expenditures.** (1) Except as provided in subsection
2 (7), the governor, taking into account the criteria provided in subsection (5), shall mandate reductions to agency
3 expenditures for the biennium ending June 30, 2017.

4 (2) The governor may mandate up to \$16 million in reductions to expenditures from the general fund for
5 the biennium.

6 (3) The governor may not require an agency to reduce general fund spending for any program, as
7 defined in the general appropriations act, by more than 10%.

8 (4) Departments or agencies headed by elected officials or the board of regents may not be required to
9 reduce general fund spending by a percentage greater than the percentage of general fund spending reductions
10 required for the total of all other executive branch agencies.

11 (5) Prior to mandating reductions, the governor shall consider whether an agency program is mandatory
12 or permissive and analyze the impact of the proposed reduction in spending on the purpose of the program.
13 Reductions in spending must be designed to have the least adverse impact on the provision of services
14 determined to be most integral to the discharge of the agency's statutory responsibilities.

15 (6) The office of budget and program planning shall submit a report that identifies the governor's
16 reductions to expenditures within 30 days of the passage and approval of [this act]. The report must be provided
17 in an electronic format to the chair of the house appropriations committee and to the legislative fiscal analyst.

18 (7) Reductions in spending for the following may not be directed by the governor:

- 19 (a) payment of interest and principal on state debt;
20 (b) the legislative branch;
21 (c) the judicial branch;
22 (d) the school BASE funding program, including special education; and
23 (e) salaries of elected officials during their terms of office.

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25 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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