

2025 Session General Fund Status Report Rules

As adopted by the Legislative Finance Committee Management Advisory Group

The Fiscal Division shall calculate and report the general fund status in the following format. There will be five sections to the Status Report:

- 1) General Fund Outlook that includes revenue and expenditure estimates through FY 2029 to demonstrate the anticipated long-term structural balance of revenues and expenditures.
- 2) HB 2 General Appropriations Act comparison
- 3) Positive Action Bill List is a list of all bills meeting the criteria for positive action shown below
- 4) General Fund 2027 Biennium Appropriation Status will include appropriations or assumed appropriations only
- 5) Change Sheet: After the first Status Report a list of all changes from the previous status report

Assumptions:

To calculate the above items, the Fiscal Division will use current law, HJ 2 revenues, the state accounting system, and S & P Global to develop the base line through FY 2029 for the following: revenues beyond HJ 2, statutory appropriations, non-budgeted transfers, other appropriations.

For the General Fund Outlook, the Fiscal Division will use revenue and present law plus projections for starting points for FY 2028 and FY 2029 as approved by the Management Advisory Workgroup. Any proposed legislation would be changes to this level. If items adopted by the legislature in HB 2 have a specific impact in future base budgets, then those changes will be included in the HB 2 amounts for FY 2028 and FY 2029 (example risk management and tort defense claims insurance).

Standard reversion rate will be 0.3% of the total estimated annual ongoing general fund appropriation.

Biennial Appropriations

Use the parameters for the biennial appropriations as written in the bill, unless unstated, then the biennial appropriations will be split equally between the two years of the biennium.



For operations and maintenance for buildings authorized by the current legislative session and pursuant to 17-7-210, at the end of each fiscal year following the approval of a new facility, but prior to receipt of its certificate of occupancy the Fiscal Division will estimate the reversion of estimated operation and maintenance.

If the Fiscal Division is aware that a fiscal note is inconsistent with the other assumptions on the status report or if a bill has been amended to a different fiscal impact, the Fiscal Division shall record the correct amounts on the status report. If the difference is material in fact or legal interpretation from the executive fiscal note or other major policy issue, the LFD will inform the sponsor of the bill, all members of the LFC, and the chairs and vice chairs, including minority vice chairs of Senate Finance and Claims, House Appropriations, Senate Tax and House Tax of these significant differences in writing. LFD will follow the 69th Legislative Session SJ 1, Section 40-100 (12) as required or as directed by the Management Advisory Workgroup if the rule does not apply.

No fiscal note

If no fiscal note exists for a bill with a fiscal impact, then the Fiscal Division will research the potential impact to the legislation. If a bill has not had a fiscal note requested but is anticipated to have general fund impact of greater than \$1 million, then the Fiscal Division should work with the Office of Budget and Program Planning to determine an estimated fiscal impact to the bill and carry that amount on the status sheet, until there is an official fiscal note issued.

Potential appropriations and appropriation distinction

“Potential” appropriations are expenditures indicated by fiscal notes but have not been appropriated by the legislature. The Appropriation Status Sheet will reflect “potential” appropriations until such time an appropriation is made in HB 2 or in the bill. Potential appropriations will be assumed to be expenditures in the Outlook Sheet.

HB 1

The Fiscal Division will work with the Services Division to develop estimates for the cost operating the legislative sessions (HB 1) through FY 2029 and include these costs in both the appropriation status and the Outlook.

K-12 BASE Aid on the Appropriation Status Sheet



The general fund status sheet should include any impact of Base Aid school funding as anticipated appropriations.

If legislation impacts the property tax collections for the Montana University System 6-mill levy they will be shown as a “potential” general fund expenditure impact.

Positive Action Definition - When should bills be included on the Status Report?

Include after positive executive action in any committee. Do not duplicate by a larger impact bill, if a bill is of smaller impact to a larger impact bill, it will be footnoted as a duplicate.

Bills that have been **re-referred** to a second committee will be shown as follows: Re-referred in the first house, do not show the impact of the bill until positive executive action has occurred in the second committee. If a bill has already been transmitted to the second house and a re-referral occurs in the 2nd house, the bill remains on the status sheet.

Formats and Notifications

Notification of General Fund Balance Minimums

If the general fund balance on the appropriation status sheet at the end of the 2027 biennium is near or below the statutorily required minimum percentage of 4% or the recommended operating reserve equal to 8.3% a message in a footnote will describe the rules.

One-time and ongoing characteristics

The Fiscal Division shall segregate one-time and ongoing appropriation and revenue impacts. Impacts that go beyond FY 2027 will be considered ongoing.

Structural Balance on the Outlook sheet

If a significant structural imbalance is identified on the Outlook sheet, it will be noted with an explanation of risk.

Stalling Bills

To inform the reader of bills that are potentially stalling in the process, the number of days in committee will be shown for each bill.



Other matters impacting the Fiscal Division

The Fiscal Division shall grant each of the four caucuses two requests for in-depth analyses of fiscal impacts of bills. The scope of the analysis will be provided by the requesting caucus to the Legislative Fiscal Analyst. The timeline will be determined by the Legislative Fiscal Analyst for the requesting caucus. If prioritization of requests or a change from this policy is needed, the Legislative Finance Committee Management Advisory Workgroup will reconvene and determine the outcome. All four caucuses will receive the information provided for under this provision.

