

SENATE BILL NO. 261

INTRODUCED BY L. JONES, D. ANKNEY, N. BALLANCE, M. BLASDEL, R. BRODEHL, D. BROWN,
E. BUTTREY, P. CONNELL, R. EHLI, T. GAUTHIER, B. KEENAN, F. MOORE, A. OLSZEWSKI,
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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING BUDGETING LAWS; ESTABLISHING AN OPERATING
RESERVE AND A BUDGET STABILIZATION RESERVE FUND; AUTHORIZING THE GOVERNOR TO USE
BUDGET STABILIZATION RESERVE TO PAY DEBT OR TO DELAY, FOREGO, OR REDUCE BONDING
WHEN THERE IS EXCESS GENERAL FUND REVENUES EXCEED THE REVENUE ESTIMATE REVENUE;
AUTHORIZING THE GOVERNOR TO MAKE CONDITIONAL TRANSFERS TO THE GENERAL FUND UNDER
CERTAIN CONDITIONS; ENACTING RULES FOR DEPOSITS WHEN GENERAL FUND REVENUES EXCEED
THE REVENUE ESTIMATE; PLACING RESTRICTIONS ON THE REAPPROPRIATION OF APPROPRIATIONS
FOR CAPITAL PROJECTS ISSUED; PROVIDING FOR A CONTINGENT FUND TRANSFER FROM THE FIRE
SUPPRESSION ACCOUNT TO THE GENERAL FUND; PROVIDING AN APPROPRIATION; PROVIDING
LEGISLATIVE INTENT; PROVIDING FOR ELIMINATION AND REDUCTIONS TO VARIOUS APPROPRIATIONS
AND EXPENDITURES BASED ON GENERAL FUND REVENUE RECEIVED IN FISCAL YEARS 2017 AND 2018;
IMPOSING NOTIFICATION DUTIES ON THE STATE TREASURER; AMENDING SECTIONS 17-7-102, 17-7-111,
17-7-131, 17-7-140, 17-7-205, 17-7-212, AND 76-13-150, MCA; AND PROVIDING AN EFFECTIVE DATE
DATES AND A TERMINATION DATE."

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

NEW SECTION. SECTION 1. BUDGET STABILIZATION RESERVE FUND -- RULES FOR DEPOSITS AND TRANSFERS
-- PURPOSE. (1) THERE IS AN ACCOUNT IN THE STATE SPECIAL REVENUE FUND ESTABLISHED BY 17-2-102 KNOWN AS THE
BUDGET STABILIZATION RESERVE FUND.

(2) FOR THE FISCAL YEARS BEGINNING JULY 1, 2016, AND JULY 1, 2017, IF ACTUAL GENERAL FUND REVENUES
EXCEED REVENUE EXCEEDS THE REVENUE ESTIMATE ESTABLISHED PURSUANT TO 5-5-227 FOR THE 2-YEAR PERIOD;
EXCESS REVENUES OVER THE AMOUNT OF REVENUE THAT EXCEEDS THE REVENUE ESTIMATE BY \$30 MILLION ARE IS
ALLOCATED AS FOLLOWS:

(A) 50% REMAINS IN THE GENERAL FUND; AND

~~(b) 50% IS TRANSFERRED INTO THE BUDGET STABILIZATION RESERVE FUND ON OR BEFORE AUGUST 15 OF THE FOLLOWING FISCAL YEAR;~~

~~(3) STARTING IN THE FISCAL YEAR BEGINNING JULY 1, 2018, IF ACTUAL GENERAL FUND REVENUES REVENUE FOR A MOST RECENTLY COMPLETED FISCAL YEAR EXCEED THE REVENUE ESTIMATE ESTABLISHED PURSUANT TO 5-5-227 FOR THAT FISCAL YEAR EXCEEDS THE PRIOR FISCAL YEAR GENERAL FUND REVENUE, ALL EXCESS REVENUES ARE REVENUE IS ALLOCATED AS FOLLOWS:~~

~~(A) 50% REMAINS IN THE GENERAL FUND; AND~~

~~(b) 50% IS TRANSFERRED INTO THE BUDGET STABILIZATION RESERVE FUND ON OR BEFORE AUGUST 15 IN THE FOLLOWING FISCAL YEAR;~~

~~(4) THE GOVERNOR IS AUTHORIZED TO USE THE BUDGET STABILIZATION RESERVE FUND TO:~~

~~(A) PAY BACK CONDITIONAL TRANSFERS MADE PURSUANT TO 17-7-140;~~

~~(B) PAY DOWN THE DEBT SERVICE ON BONDS FOR CAPITAL PROJECTS PREVIOUSLY AUTHORIZED BY THE LEGISLATURE IF ALLOWED WITHOUT PENALTY BY THE TERMS OF THE BOND ISSUANCE;~~

~~(C) DELAY, FOREGO, OR REDUCE THE AMOUNT OF AN ISSUANCE OF BONDS AUTHORIZED BY THE LEGISLATURE;~~
~~OR~~

~~(D) KEEP THE FUNDS IN THE BUDGET STABILIZATION RESERVE FUND;~~

~~(5) IF THE GOVERNOR USES FUNDS AS ALLOWED UNDER SUBSECTIONS (4)(A) THROUGH (4)(C), THE GOVERNOR MUST SUBMIT A REPORT TO THE LEGISLATIVE FINANCE COMMITTEE OF THE AMOUNT USED AND THE PURPOSE OF THE USE OF THE FUNDS;~~

~~(2) THE PURPOSE OF THE BUDGET STABILIZATION RESERVE FUND IS:~~

~~(A) TO MITIGATE BUDGET REDUCTIONS WHEN THERE IS A REVENUE SHORTFALL; AND~~

~~(B) WHEN THERE ARE FUNDS IN EXCESS OF THE OPERATING RESERVE LEVEL, TO:~~

~~(i) PAY DOWN THE DEBT SERVICE ON BONDS FOR CAPITAL PROJECTS PREVIOUSLY AUTHORIZED BY THE LEGISLATURE IF ALLOWED WITHOUT PENALTY BY THE TERMS OF THE BOND ISSUANCE;~~

~~(ii) DELAY, FOREGO, OR REDUCE THE AMOUNT OF AN ISSUANCE OF BONDS AUTHORIZED BY THE LEGISLATURE;~~

~~AND~~

~~(iii) ALLOW THE FUNDS TO REMAIN IN THE ACCOUNT.~~

~~(3) BY AUGUST 1 OF EACH YEAR, THE DEPARTMENT OF ADMINISTRATION SHALL CERTIFY TO THE LEGISLATIVE FISCAL ANALYST AND THE BUDGET DIRECTOR THE FOLLOWING:~~

~~(A) THE UNAUDITED, UNASSIGNED ENDING FUND BALANCE OF THE GENERAL FUND FOR THE PRIOR FISCAL YEAR;~~

1 AND

2 (B) THE AMOUNT OF UNAUDITED GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED
3 IN THE PRIOR FISCAL YEAR RECORDED WHEN THAT FISCAL YEAR'S STATEWIDE ACCOUNTING, BUDGETING, AND HUMAN
4 RESOURCE SYSTEM RECORDS ARE CLOSED. GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND ARE
5 THOSE RECORDED IN THE STATEWIDE ACCOUNTING, BUDGETING, AND HUMAN RESOURCE SYSTEM USING GENERALLY
6 ACCEPTED ACCOUNTING PRINCIPLES IN ACCORDANCE WITH 17-1-102.

7 (4) FOR THE FISCAL YEARS BEGINNING JULY 1, 2016, THROUGH JULY 1, 2020, IF ACTUAL GENERAL FUND
8 REVENUE EXCEEDS THE REVENUE ESTIMATE ESTABLISHED PURSUANT TO 5-5-227 FOR THAT FISCAL YEAR, EXCESS
9 REVENUE OVER THE AMOUNT OF REVENUE THAT EXCEEDS THE REVENUE ESTIMATE BY \$15 MILLION IS ALLOCATED AS
10 FOLLOWS:

11 (A) 50% REMAINS IN THE GENERAL FUND; AND

12 (B) 50% IS TRANSFERRED INTO THE BUDGET STABILIZATION RESERVE FUND ON OR BEFORE AUGUST 15 OF THE
13 FOLLOWING FISCAL YEAR.

14 (5) STARTING IN THE FISCAL YEAR BEGINNING JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER, BY
15 AUGUST 15 OF THE FOLLOWING FISCAL YEAR:

16 (A) IF THERE IS NOT AN OPERATING RESERVE DIFFERENTIAL, FROM THE GENERAL FUND TO THE BUDGET
17 STABILIZATION RESERVE FUND AN AMOUNT EQUAL TO 50% OF THE EXCESS REVENUE FOR THE FISCAL YEAR;

18 (B) IF THERE IS AN OPERATING RESERVE DIFFERENTIAL FOR THE FISCAL YEAR, FROM THE GENERAL FUND TO THE
19 BUDGET STABILIZATION RESERVE FUND AN AMOUNT EQUAL TO 50% OF THE EXCESS REVENUE FOR THE FISCAL YEAR LESS
20 THE OPERATING RESERVE DIFFERENTIAL; AND

21 (C) IF THE ENDING FUND BALANCE OF THE GENERAL FUND FOR THE PRIOR YEAR IS LESS THAN 6.8% OF THE
22 AMOUNT OF ALL GENERAL FUND APPROPRIATIONS IN THE SECOND YEAR OF THE BIENNIUM, FROM THE BUDGET
23 STABILIZATION RESERVE FUND TO THE GENERAL FUND UP TO ONE-HALF OF THE AMOUNT IN THE BUDGET STABILIZATION
24 RESERVE FUND IN EXCESS OF THE AMOUNT OF 2% OF ALL GENERAL FUND APPROPRIATIONS IN THE SECOND YEAR OF THE
25 BIENNIUM IN THE SUBSEQUENT FISCAL YEAR.

26 (6) FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS APPLY:

27 (A) "ADJUSTED REVENUE" MEANS GENERAL FUND REVENUE FOR THE PRIOR FISCAL YEAR PLUS THE GROWTH
28 AMOUNT.

29 (B) "EXCESS REVENUE" MEANS THE AMOUNT OF GENERAL FUND REVENUE, INCLUDING TRANSFERS IN, FOR THE
30 MOST RECENTLY COMPLETED FISCAL YEAR MINUS ADJUSTED REVENUE.

1 (C) "GROWTH AMOUNT" MEANS GENERAL FUND REVENUE FOR THE PRIOR FISCAL YEAR MULTIPLIED BY THE
2 GROWTH RATE.

3 (D) "GROWTH RATE" MEANS THE AVERAGE COMPOUND RATE OF GROWTH OF GENERAL FUND REVENUE FOR THE
4 MOST RECENTLY COMPLETED 6 FISCAL YEARS PRIOR TO THE MOST RECENTLY COMPLETED FISCAL YEAR AND THE PRIOR
5 FISCAL YEAR.

6 (E) "OPERATING RESERVE DIFFERENTIAL" MEANS A NONNEGATIVE DIFFERENCE FROM 8.3% OF ALL GENERAL
7 FUND APPROPRIATIONS IN THE SECOND YEAR OF THE BIENNIUM MINUS THE SUM OF THE ENDING FUND BALANCE FOR THE
8 PRIOR YEAR AND 50% OF EXCESS REVENUE OF THE PRIOR YEAR.

9
10 **Section 2.** Section 17-7-102, MCA, is amended to read:

11 **"17-7-102. (Temporary) Definitions.** As used in this chapter, the following definitions apply:

12 (1) "Additional services" means different services or more of the same services.

13 (2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges,
14 and any other person or any other administrative unit of state government that spends or encumbers public
15 money by virtue of an appropriation from the legislature under 17-8-101.

16 (3) "Approving authority" means:

17 (a) the governor or the governor's designated representative for executive branch agencies;

18 (b) the chief justice of the supreme court or the chief justice's designated representative for judicial
19 branch agencies;

20 (c) the speaker for the house of representatives;

21 (d) the president for the senate;

22 (e) appropriate legislative committees or a designated representative for legislative branch agencies;

23 or

24 (f) the board of regents of higher education or its designated representative for the university system.

25 (4) (a) "Base budget" means the resources for the operation of state government that are of an ongoing
26 and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special
27 revenue funds may not exceed that level of funding authorized by the previous legislature.

28 (b) The term does not include:

29 (i) funding for water adjudication if the accountability benchmarks contained in 85-2-271 are not met;

30 (ii) funding for petroleum storage tank leak prevention if the accountability benchmarks in 75-11-521 are

not met.

(5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

(6) "Budget stabilization reserve" means the amount of unappropriated fund balance in the long-range building program account BUDGET STABILIZATION RESERVE FUND up to 4% 4.5% of all general fund appropriations in the second year of the biennium.

(7) "Conditional transfer" means a transfer from a designated account into the general fund that is authorized by the governor PURSUANT TO 17-7-140 and is conditioned upon approval of the legislature in the next legislative session.

~~(6)(8)(7)~~ "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

~~(7)(9)(8)~~ "Funds subject to appropriation" means those funds required to be paid out of the treasury as set forth in 17-8-101.

~~(8)(10)(9)~~ "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

~~(9)(11)(10)~~ "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

~~(12)(11)~~ "Operating reserve" means an amount equal to 8.3% of all general fund appropriations in the second year of the biennium.

~~(10)(13)(12)~~ "Present law base" means that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

- (a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;
- (b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;
- (c) inflationary or deflationary adjustments; and

(d) elimination of nonrecurring appropriations.

~~(11)(14)(13)~~ "Program" means a principal organizational or budgetary unit within an agency.

~~(12)(15)(14)~~ "Requesting agency" means the agency of state government that has requested a specific budget amendment.

~~(13)(16)(15)~~ "University system unit" means the board of regents of higher education; office of the commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City, Glendive, and Kalispell. (Terminates June 30, 2028--sec. 11, Ch. 269, L. 2015.)

17-7-102. (Effective July 1, 2028) Definitions. As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges, and any other person or any other administrative unit of state government that spends or encumbers public money by virtue of an appropriation from the legislature under 17-8-101.

(3) "Approving authority" means:

(a) the governor or the governor's designated representative for executive branch agencies;

(b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;

(c) the speaker for the house of representatives;

(d) the president for the senate;

(e) appropriate legislative committees or a designated representative for legislative branch agencies;

or

(f) the board of regents of higher education or its designated representative for the university system.

(4) "Base budget" means the resources for the operation of state government that are of an ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special revenue funds may not exceed that level of funding authorized by the previous legislature.

(5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

(6) "Budget stabilization reserve" means the amount of unappropriated fund balance in the long-range

~~building program account~~ BUDGET STABILIZATION RESERVE FUND up to ~~4%~~ 4.5% of all general fund appropriations in the second year of the biennium.

~~(7) "Conditional transfer" means a transfer from a designated account into the general fund that is authorized by the governor PURSUANT TO 17-7-140 and is conditioned upon approval of the legislature in the next legislative session.~~

~~(6)(8)(7)~~ "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

~~(7)(9)(8)~~ "Funds subject to appropriation" means those funds required to be paid out of the treasury as set forth in 17-8-101.

~~(8)(10)(9)~~ "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

~~(9)(11)(10)~~ "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

~~(12)(11)~~ "Operating reserve" means an amount equal to 8.3% of all general fund appropriations in the second year of the biennium.

~~(10)(13)(12)~~ "Present law base" means that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

- (a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;
- (b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;
- (c) inflationary or deflationary adjustments; and
- (d) elimination of nonrecurring appropriations.

~~(11)(14)(13)~~ "Program" means a principal organizational or budgetary unit within an agency.

~~(12)(15)(14)~~ "Requesting agency" means the agency of state government that has requested a specific

1 budget amendment.

2 ~~(13)(16)(15)~~ "University system unit" means the board of regents of higher education; office of the
3 commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena;
4 Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment
5 station, with central offices at Bozeman; the forest and conservation experiment station, with central offices at
6 Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and geology,
7 with central offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles
8 City, Glendive, and Kalispell."
9

10 **Section 3.** Section 17-7-111, MCA, is amended to read:

11 **"17-7-111. Preparation of state budget -- agency program budgets -- form distribution and**
12 **contents.** (1) (a) To prepare a state budget, the executive branch, the legislature, and the citizens of the state
13 need information that is consistent and accurate. Necessary information includes detailed disbursements by fund
14 type for each agency and program for the appropriate time period, recommendations for creating a balanced
15 budget, and recommended disbursements and estimated receipts by fund type and fund category.

16 (b) Subject to the requirements of this chapter, the budget director and the legislative fiscal analyst shall
17 by agreement:

18 (i) establish necessary standards, formats, and other matters necessary to share information between
19 the agencies and to ensure that information is consistent and accurate for the preparation of the state's budget;
20 and

21 (ii) provide for the collection and provision of budgetary and financial information that is in addition to or
22 different from the information otherwise required to be provided pursuant to this section.

23 (2) In the preparation of a state budget, the budget director shall, not later than the date specified in
24 17-7-112(1), distribute to all agencies the proper forms and instructions necessary for the preparation of budget
25 estimates by the budget director. These forms must be prescribed by the budget director to procure the
26 information required by subsection (3). The forms must be submitted to the budget director by the date provided
27 in 17-7-112(2), or the agency's budget is subject to preparation based upon estimates as provided in 17-7-112(5).
28 The budget director may refuse to accept forms that do not comply with the provisions of this section or the
29 instructions given for completing the forms.

30 (3) ~~Subject to subsections (7) and (8), the~~ THE agency budget request must set forth a balanced financial

1 plan for the agency completing the forms for each fiscal year of the ensuing biennium. The plan must consist of:

2 (a) a consolidated agency budget summary of funds subject to appropriation, as provided in 17-8-101,
3 for the current base budget expenditures, including statutory appropriations, and for each present law adjustment
4 and new proposal request setting forth the aggregate figures of the full-time equivalent personnel positions (FTE)
5 and the budget, showing a balance between the total proposed disbursements and the total anticipated receipts,
6 together with the other means of financing the budget for each fiscal year of the ensuing biennium, contrasted
7 with the corresponding figures for the last-completed fiscal year and the fiscal year in progress;

8 (b) a schedule of the actual and projected receipts, disbursements, and solvency of each fund for the
9 current biennium and estimated for the subsequent biennium;

10 (c) a statement of the agency mission and a statement of goals and objectives for each program of the
11 agency. The goals and objectives must include, in a concise form, sufficient specific information and quantifiable
12 information to enable the legislature to formulate an appropriations policy regarding the agency and its programs
13 and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals
14 and objectives.

15 (d) actual FTE and disbursements for the completed fiscal year of the current biennium, estimated FTE
16 and disbursements for the current fiscal year, and the agency's request for the ensuing biennium, by program;

17 (e) actual disbursements for the completed fiscal year of the current biennium, estimated disbursements
18 for the current fiscal year, and the agency's recommendations for the ensuing biennium, by disbursement
19 category;

20 (f) for agencies with more than 20 FTE, a plan to reduce the proposed base budget for the general
21 appropriations act and the proposed state pay plan to 95% of the current base budget or lower if directed by the
22 budget director. Each agency plan must include base budget reductions that reflect the required percentage
23 reduction by fund type for the general fund and state special revenue fund types. Exempt from the calculations
24 of the 5% target amounts are legislative audit costs, administratively attached entities that hire their own staff
25 under 2-15-121, and state special revenue accounts that do not transfer their investment earnings or fund
26 balances to the general fund. The plan must include:

27 (i) a prioritized list of services that would be eliminated or reduced;

28 (ii) for each service included in the prioritized list, the savings that would result from the elimination or
29 reduction; and

30 (iii) the consequences or impacts of the proposed elimination or reduction of each service.

1 (g) a reference for each new information technology proposal stating whether the new proposal is
2 included in the approved agency information technology plan as required in 2-17-523;

3 (h) energy cost saving information as required by 90-4-616; and

4 (i) other information the budget director feels is necessary for the preparation of a budget.

5 (4) The budget director shall prepare and submit to the legislative fiscal analyst in accordance with
6 17-7-112:

7 (a) detailed recommendations for the state long-range building program. Each recommendation must
8 be presented by institution, agency, or branch, by funding source, with a description of each proposed project.

9 (b) a statewide project budget summary as provided in 2-17-526;

10 (c) the proposed pay plan schedule for all executive branch employees at the program level by fund, with
11 the specific cost and funding recommendations for each agency. Submission of a pay plan schedule under this
12 subsection is not an unfair labor practice under 39-31-401.

13 (d) agency proposals for the use of cultural and aesthetic project grants under Title 22, chapter 2, part
14 3, the renewable resource grant and loan program under Title 85, chapter 1, part 6, the reclamation and
15 development grants program under Title 90, chapter 2, part 11, and the treasure state endowment program under
16 Title 90, chapter 6, part 7.

17 (5) The board of regents shall submit, with its budget request for each university unit in accordance with
18 17-7-112, a report on the university system bonded indebtedness and related finances as provided in this
19 subsection (5). The report must include the following information for each year of the biennium, contrasted with
20 the same information for the last-completed fiscal year and the fiscal year in progress:

21 (a) a schedule of estimated total bonded indebtedness for each university unit by bond indenture;

22 (b) a schedule of estimated revenue, expenditures, and fund balances by fiscal year for each outstanding
23 bond indenture, clearly delineating the accounts relating to each indenture and the minimum legal funding
24 requirements for each bond indenture; and

25 (c) a schedule showing the total funds available from each bond indenture and its associated accounts,
26 with a list of commitments and planned expenditures from the accounts, itemized by revenue source and project
27 for each year of the current and ensuing bienniums.

28 (6) (a) The department of revenue shall make Montana individual income tax information available by
29 removing names, addresses, and social security numbers and substituting in their place a state accounting record
30 identifier number. Except for the purposes of complying with federal law, the department may not alter the data

1 in any other way.

2 (b) The department of revenue shall provide the name and address of a taxpayer on written request of
3 the budget director when the values on the requested return, including estimated payments, are considered
4 necessary by the budget director to properly analyze state revenue and are of a sufficient magnitude to materially
5 affect the analysis and when the identity of the taxpayer is necessary to evaluate the effect of the return or
6 payments on the analysis being performed.

7 ~~(7) (a) The department of public health and human services' budget request for the 2013 biennium must~~
8 ~~identify changes necessary to reduce the 2013 biennium expenditures to the level funded in the general~~
9 ~~appropriations act. The department may include changes such as reducing administrative costs, developing more~~
10 ~~cost-efficient methods to deliver services, limiting the number of medicaid services that adults may receive,~~
11 ~~changing medicaid services included in the Montana medicaid state plan, changing eligibility or level of care~~
12 ~~requirements for medicaid waiver services, limiting or changing services that are fully state-funded, or~~
13 ~~implementing other initiatives that reduce state funds. Achieving the necessary general fund reduction in the 2013~~
14 ~~biennium budget request may not include shifting costs to state special revenue funds.~~

15 ~~—— (b) The department of public health and human services shall prepare a work plan with goals,~~
16 ~~milestones, and measures to guide its review of alternatives to identify, evaluate, and select initiatives to reduce~~
17 ~~ongoing state spending in its 2013 biennium budget submission. The department shall submit the work plan,~~
18 ~~goals, milestones, and measures to the legislative finance committee at its first meeting after the adjournment~~
19 ~~of the 2009 legislative session for its review and comment. The department shall provide an update of its budget~~
20 ~~reduction for review and comment at each legislative finance committee meeting in a format developed with and~~
21 ~~agreed upon by the committee.~~

22 ~~—— (8) Each agency budget request for the 2013 biennium must include the adjustments to present law base~~
23 ~~specified in 17-7-102(10)(b) 17-7-102(13)(b)."~~

24
25 **Section 4.** Section 17-7-131, MCA, is amended to read:

26 **"17-7-131. Legislative action -- ending fund balance.** (1) The presiding officers of the house of
27 representatives and of the senate shall promptly refer the budgets and budget bills to the proper committees. The
28 budget bill for the maintenance of the agencies of state government and the state institutions must be based upon
29 the budget and proposed budget bill submitted at the request of the governor. The legislature may amend the
30 proposed budget bill, but it may not amend the proposed budget bill so as to affect either the obligations of the

state or the payment of any salaries required to be paid by the constitution and laws of the state.

(2) The adopted budget must be limited so that a positive ending general fund balance exists at the end of the biennium for which funds are appropriated.

(3) When possible, the adopted budget should be limited so that the ending fund balance of the general fund is greater than or equal to the amount of the operating reserve."

Section 5. Section 17-7-140, MCA, is amended to read:

"17-7-140. Reduction in spending ~~--conditional transfer authority~~. (1) (a) As the chief budget officer of the state, the governor shall ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in subsection (2), in the event of a projected general fund budget deficit, the governor, taking into account the criteria provided in subsection (1)(c), shall direct agencies to reduce spending in an amount that ensures that the projected ending general fund balance for the biennium will be at least:

~~(i) 3.5% 2.5% of all general fund appropriations for the biennium prior to October June of the year preceding a legislative session;~~

~~—— (ii) 3% 2% of all general fund appropriations for the biennium in June of the year preceding a legislative session;~~

~~—— (ii)(iii) 1.875% of all general fund appropriations for the biennium in October of the year preceding a legislative session;~~

~~—— (iii)(iv) 1.25% of all general fund appropriations for the biennium in January of the year in which a legislative session is convened; and~~

~~—— (iv)(v) 0.625% of all general fund appropriations for the biennium in March of the year in which a legislative session is convened.~~

(i) 6% OF THE GENERAL FUND APPROPRIATIONS FOR THE SECOND FISCAL YEAR OF THE BIENNIUM PRIOR TO OCTOBER OF THE YEAR PRECEDING A LEGISLATIVE SESSION;

(ii) 3% OF THE GENERAL FUND APPROPRIATIONS FOR THE SECOND FISCAL YEAR OF THE BIENNIUM IN OCTOBER OF THE YEAR PRECEDING A LEGISLATIVE SESSION;

(iii) 2% OF THE GENERAL FUND APPROPRIATIONS FOR THE SECOND FISCAL YEAR OF THE BIENNIUM IN JANUARY OF THE YEAR IN WHICH A LEGISLATIVE SESSION IS CONVENED; AND

(iv) 1% OF THE GENERAL FUND APPROPRIATIONS FOR THE SECOND FISCAL YEAR OF THE BIENNIUM IN MARCH OF THE YEAR IN WHICH A LEGISLATIVE SESSION IS CONVENED.

(b) An agency may not be required to reduce general fund spending for any program, as defined in each general appropriations act, by more than 10% during a biennium. Departments or agencies headed by elected officials or the board of regents may not be required to reduce general fund spending by a percentage greater than the percentage of general fund spending reductions required for the total of all other executive branch agencies. The legislature may exempt from a reduction an appropriation item within a program or may direct that the appropriation item may not be reduced by more than 10%.

(c) The governor shall direct agencies to manage their budgets in order to reduce general fund expenditures. Prior to directing agencies to reduce spending as provided in subsection (1)(a), the governor shall direct each agency to analyze the nature of each program that receives a general fund appropriation to determine whether the program is mandatory or permissive and to analyze the impact of the proposed reduction in spending on the purpose of the program. An agency shall submit its analysis to the office of budget and program planning and shall at the same time provide a copy of the analysis to the legislative fiscal analyst. The report must be submitted in an electronic format. The office of budget and program planning shall review each agency's analysis, and the budget director shall submit to the governor a copy of the office of budget and program planning's recommendations for reductions in spending. The budget director shall provide a copy of the recommendations to the legislative fiscal analyst at the time that the recommendations are submitted to the governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations. The recommendations must be provided in an electronic format. The legislative finance committee shall meet within 20 days of the date that the proposed changes to the recommendations for reductions in spending are provided to the legislative fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the proposed reductions in spending to the budget director at least 5 days before the meeting of the legislative finance committee. The committee may make recommendations concerning the proposed reductions in spending. The governor shall consider each agency's analysis and the recommendations of the office of budget and program planning and the legislative finance committee in determining the agency's reduction in spending. Reductions in spending must be designed to have the least adverse impact on the provision of services determined to be most integral to the discharge of the agency's statutory responsibilities.

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

- (a) payment of interest and principal on state debt;
- (b) the legislative branch;
- (c) the judicial branch;

(d) the school BASE funding program, including special education;

(e) salaries of elected officials during their terms of office; and

(f) the Montana school for the deaf and blind.

(3) (a) As used in this section, "projected general fund budget deficit" means an amount, certified by the budget director to the governor, by which the projected ending general fund balance for the biennium is less than:

(i) ~~5%~~ ~~4%~~ 5% of the general fund appropriations for the second fiscal year of the biennium prior to October of the year preceding a legislative session;

(ii) 1.875% in October of the year preceding a legislative session;

(iii) 1.25% in January of the year in which a legislative session is convened; and

(iv) 0.625% in March of the year in which a legislative session is convened.

(b) In determining the amount of the projected general fund budget deficit, the budget director shall take into account revenue, established levels of appropriation, anticipated supplemental appropriations for school equalization aid and the cost of the state's wildland fire suppression activities exceeding the amount statutorily appropriated in 10-3-312, and anticipated reversions.

~~(c) For purposes of determining the amount of the projected general fund budget deficit if the governor has mandated reductions pursuant to this section, the budget director must also take into account the cash balances from TRANSFERS AND conditional transfers made pursuant to subsections (5) through (9) (10) and reductions in general fund expenditures previously directed by the governor, in addition to those items listed in subsection (3)(b).~~

(4) If the budget director determines that an amount of actual or projected receipts will result in an amount less than the amount projected to be received in the revenue estimate established pursuant to 5-5-227, the budget director shall notify the revenue and transportation interim committee of the estimated amount. Within 20 days of notification, the revenue and transportation interim committee shall provide the budget director with any recommendations concerning the amount. The budget director shall consider any recommendations of the revenue and transportation interim committee prior to certifying a projected general fund budget deficit to the governor.

~~(5) If the budget director certifies a projected general fund budget deficit, the governor may authorize TRANSFERS OR conditional transfers to the general fund from certain accounts as set forth in subsections (6) through (9) (10) AND (7).~~

~~(6) THE AMOUNT OF TRANSFERS THAT THE GOVERNOR MAY AUTHORIZE FROM THE BUDGET STABILIZATION RESERVE FUND PROVIDED FOR IN [SECTION 1] IS BASED ON THE DOLLAR REDUCTIONS TO THE GENERAL FUND~~

EXPENDITURES AUTHORIZED BY THE GOVERNOR:

(A) PRIOR TO JUNE OF THE YEAR PRECEDING A LEGISLATIVE SESSION, THE GOVERNOR MAY AUTHORIZE \$2 OF TRANSFERS FOR EACH \$1 OF REDUCTIONS IN SPENDING.

(B) ON OR AFTER JUNE 1 OF THE YEAR PRECEDING A LEGISLATIVE SESSION, THE GOVERNOR MAY AUTHORIZE \$3 OF TRANSFERS FOR EACH \$1 OF REDUCTIONS IN SPENDING.

(7) IF THE TRANSFERS PROVIDED FOR IN SUBSECTION (6) ARE ENCUMBERED AND ARE INSUFFICIENT TO ENSURE THAT THE ENDING FUND BALANCE IS EQUAL TO AT LEAST THE PERCENTAGE OF GENERAL FUND APPROPRIATIONS FOR THE RELEVANT TIME PERIOD IN SUBSECTION (1)(A)(i) THROUGH (1)(A)(v), THEN THE GOVERNOR MAY AUTHORIZE CONDITIONAL TRANSFERS. The amount of conditional transfers the governor may authorize is based on the total percentage DOLLAR AMOUNT of reductions to general fund expenditures identified by the governor.

(a) For spending reductions equal to 1% of the total general fund appropriations for the second fiscal year of the biennium IDENTIFIED PRIOR TO JUNE OF THE YEAR PRECEDING A LEGISLATIVE SESSION, the governor may authorize \$1 of conditional transfers for each \$1 of reductions.

(b) For the second 1% of spending reductions IDENTIFIED ON OR AFTER JUNE 1 OF THE YEAR PRECEDING A LEGISLATIVE SESSION, the governor may authorize \$2 of conditional transfers for each \$1 of reduction.

(c) For any additional spending reductions, the governor may authorize \$4 of conditional transfers for each \$1 of reduction.

(d)(c) The maximum amount of TRANSFERS AND conditional transfers the governor may authorize under this section is 4.5% of the general fund appropriations for the second fiscal year of the biennium.

(8) THE MAXIMUM AMOUNT OF GENERAL FUND EXPENDITURE REDUCTIONS IDENTIFIED:

(A) PRIOR TO JUNE OF THE YEAR PRECEDING A LEGISLATIVE SESSION IS LIMITED TO 2% OF THE TOTAL GENERAL FUND APPROPRIATIONS FOR THE SECOND FISCAL YEAR OF THE BIENNIUM; OR

(B) ON OR AFTER JUNE 1 OF THE YEAR PRECEDING A LEGISLATIVE SESSION IS LIMITED TO 1% OF THE TOTAL GENERAL FUND APPROPRIATIONS FOR THE BIENNIUM;

(7)(9) The governor may authorize conditional transfers from the following accounts in the following priority:

(A) FROM THE BUDGET STABILIZATION RESERVE FUND ESTABLISHED IN [SECTION 1];

(a)(b) From the long-range building program account, established in 17-7-205. The amount of funds available for a conditional transfer from this account is limited to the sum of the budget stabilization reserve plus the amount of funds that have not been encumbered and ESTIMATED AMOUNT OF FUND BALANCE THAT will not be expended in the next 18 months.

~~1 (b)(c) From the fire suppression account established in 76-13-150. The amount of funds available for~~
~~2 a conditional transfer from this account is limited to the amount of the fund balance PLUS CURRENT YEAR REVENUES~~
~~3 in excess of the current year anticipated expenditures plus 150% 125% of the 7-year average annual expenditure~~
~~4 from the account.~~

~~5 (c)(d)(e) From any other account in the state special revenue fund type or the capital projects fund type~~
~~6 as described in 17-2-102, only if the UNRESTRICTED monthly cash balance of the account PLUS THE MONIES~~
~~7 INVESTED IN THE BOARD OF INVESTMENTS' SHORT-TERM INVESTMENT POOL has exceeded \$2 million for the past 24~~
~~8 consecutive months and the accrued PROJECTED REVENUES AND expenditures for the account do not reduce its~~
~~9 ANTICIPATED cash balance AND FUNDS INVESTED IN THE BOARD OF INVESTMENTS' SHORT-TERM INVESTMENT POOL to~~
~~10 less than \$2 million.~~

~~11 (i) If the governor authorizes a conditional transfer from an account other than the long-range building~~
~~12 program account or the fire suppression account DESIGNATED IN THIS SUBSECTION (7)(D) (9)(b), the governor must~~
~~13 select accounts that do not retain their own interest when possible.~~

~~14 (ii) The amount of a conditional transfer from an account in the state special revenue fund type or the~~
~~15 capital projects fund type, as described in 17-2-102, may not cause cash shortages in the next 18 months.~~

~~16 (iii) FUNDS HELD FOR TRIBAL WATER COMPACTS ARE NOT ELIGIBLE FOR CONDITIONAL TRANSFERS.~~

~~17 (8)(10) (a) A conditional transfer made pursuant to this section must be recorded in the state accounting~~
~~18 records. Except as provided in subsection (8)(b) (10)(b), funds transferred as a conditional transfer do not bear~~
~~19 interest.~~

~~20 (b) If a conditional transfer to the general fund is made from a fund that retains its own interest, except~~
~~21 a conditional transfer from the long-range building program account established in 17-7-205 or the fire~~
~~22 suppression account established in 76-13-150, it shall be returned with interest at a rate established by the state~~
~~23 treasurer based on the estimated interest rate the funds would have earned if the funds had not been~~
~~24 conditionally transferred.~~

~~25 (6) THE GOVERNOR MAY AUTHORIZE TRANSFERS FROM THE BUDGET STABILIZATION RESERVE FUND PROVIDED~~
~~26 FOR IN [SECTION 1]. THE GOVERNOR MAY AUTHORIZE \$2 OF TRANSFERS FROM THE FUND FOR EACH \$1 OF REDUCTIONS~~
~~27 IN SPENDING.~~

~~28 (7) IF THE BUDGET DIRECTOR CERTIFIES A PROJECTED GENERAL FUND BUDGET DEFICIT, THE GOVERNOR MAY~~
~~29 AUTHORIZE TRANSFERS TO THE GENERAL FUND FROM THE FIRE SUPPRESSION ACCOUNT ESTABLISHED IN 76-13-150. THE~~
~~30 AMOUNT OF FUNDS AVAILABLE FOR A TRANSFER FROM THIS ACCOUNT IS UP TO THE SUM OF THE FUND BALANCE OF THE~~
~~31 ACCOUNT, PLUS EXPECTED CURRENT YEAR REVENUE, MINUS THE SUM OF 1% OF THE GENERAL FUND APPROPRIATIONS~~

FOR THE SECOND FISCAL YEAR OF THE BIENNIUM, PLUS ESTIMATED EXPENDITURES FROM THE ACCOUNT FOR THE FISCAL YEAR. THE GOVERNOR MAY AUTHORIZE \$1 OF TRANSFERS FROM THE FIRE SUPPRESSION ACCOUNT ESTABLISHED IN 76-13-150 FOR EACH \$1 OF REDUCTIONS IN SPENDING.

~~(9) If a conditional transfer is made from an account under this section and a transfer back to that account equal to the amount of the transfer is not made prior to the time the legislature convenes, the legislature must act to authorize CONVERT the conditional transfer as TO a permanent transfer, reimburse the account from which the conditional transfer was made, in full or in part, or take other actions to eliminate the conditional transfer."~~

~~Section 6.~~ Section 17-7-205, MCA, is amended to read:

~~"17-7-205. Long-range building program account -- deposit of revenues in excess of estimate -- permissible uses.~~ (1) There is a long-range building program account in the capital projects fund type:

~~(2) Cigarette tax revenue is deposited in the account pursuant to 16-11-119.~~

~~(3) Coal severance taxes allocated to the account under 15-35-108 may be appropriated for the long-range building program or debt service payments on building projects. Coal severance taxes required for general obligation bond debt service may be transferred to the debt service fund.~~

~~(4) Interest Except as provided in 17-7-140(8), interest earnings, project carryover funds, administrative fees, and miscellaneous revenue must be retained in the account.~~

~~(5) If actual general fund revenues for a fiscal year exceed the revenue estimate established pursuant to 5-5-227 for that fiscal year, the excess revenues are allocated as follows:~~

~~(a) 50% remains in the general fund; and~~

~~(b) 50% is transferred into the long-range building program account on or before August 15 in the following fiscal year as the budget stabilization reserve.~~

~~(6) If a transfer is made pursuant to subsection (5)(b), the governor is authorized to use up to the amount transferred as follows:~~

~~(a) to pay back conditional transfers made pursuant to 17-7-140;~~

~~(b) to pay down the debt service on bonds for capital projects previously authorized by the legislature if allowed without penalty by the terms of the bond issuance; or~~

~~(c) to delay, forego, or reduce the amount of an issuance of bonds authorized by the legislature.~~

~~(7) If the governor uses funds as allowed under subsection (6), the governor must submit a report to the legislative finance committee of the amount used and the purpose thereof."~~

1
2 ~~Section 7. Section 17-7-212, MCA, is amended to read:~~

3 ~~"17-7-212. Reappropriation of capital projects. (1) The remaining balances on capital projects~~
4 ~~previously approved by the legislature are reappropriated for the purposes of the original appropriation until the~~
5 ~~projects are completed or until the appropriation expires.~~

6 ~~(2) An appropriation for a capital project made on or before [20 years before the effective date of this act]~~
7 ~~is extinguished.~~

8 ~~(3) An appropriation for a capital project made before [the effective date of this act] expires 20 years after~~
9 ~~the effective date of the appropriation.~~

10 ~~(4) An appropriation for a capital project made on or after [the effective date of this act] terminates 10~~
11 ~~years from the effective date of the original appropriation unless explicitly reauthorized by the legislature."~~

12
13 **Section 6.** Section 76-13-150, MCA, is amended to read:

14 **"76-13-150. Fire suppression account -- fund transfer.** (1) There is a fire suppression account in the
15 state special revenue fund to the credit of the department.

16 (2) The legislature may transfer money from other funds to the account, and the money in the account
17 is subject to legislative fund transfers.

18 (3) Funds received for restitution by private parties must be deposited in the account.

19 (4) Money in the account may be used only for the purpose of paying expenses for fire prevention,
20 including fuel reduction and mitigation, forest restoration, grants for the purchase of fire suppression equipment
21 for county cooperatives, and fire suppression costs.

22 (5) Interest earned on the balance of the account is retained in the account ~~except as provided in~~
23 ~~17-7-140(8).~~

24 (6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal year, an
25 amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of
26 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer
27 from the general fund to the fire suppression account. General fund appropriations that continue from a fiscal year
28 to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded
29 from the calculation.

30 (7) The provisions of subsection (6) do not apply in a fiscal year in which reductions required by 17-7-140
31 occur or if a transfer pursuant to subsection (6) would require reductions pursuant to 17-7-140.

(8) The fund balance in the account may not exceed ~~\$100 million~~ 4% of all general fund appropriations in the second year of the biennium.

(9) FOR THE FISCAL YEAR ENDING JUNE 30, 2017, THE STATE TREASURER MAY NOT TRANSFER FROM THE GENERAL FUND TO THE FIRE SUPPRESSION ACCOUNT.

~~(9)~~(10) Up to \$5 million each biennium may be used for the purpose of fuel reduction and mitigation and forest restoration.

~~(10)~~(11) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for the purposes described in subsection (4)."

NEW SECTION. SECTION 7. ~~CONTINGENT LEVELS 1 THROUGH 4~~ BUDGET REDUCTIONS -- CONTINGENT FUND TRANSFER FROM FIRE SUPPRESSION ACCOUNT. (1) FOR THE BIENNIUM ENDING JUNE 30, 2019, IF THE CERTIFIED UNAUDITED GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED IN FISCAL YEARS 2017 AND 2018 ARE LESS THAN THE ESTIMATED STATE GENERAL FUND REVENUE IN HOUSE JOINT RESOLUTION NO. 2 FOR THE SAME FISCAL YEARS BY MORE THAN \$50 MILLION, THEN THE GOVERNOR MAY AUTHORIZE A FUND TRANSFER FROM THE FIRE SUPPRESSION ACCOUNT PROVIDED FOR IN 76-13-150 TO THE GENERAL FUND IN THE AMOUNT PROVIDED IN SUBSECTION (2):

~~(2) THE MAXIMUM AMOUNT OF THE FUND TRANSFER PROVIDED BY THIS SECTION IS EQUAL TO THE AMOUNT OF ESTIMATED GENERAL FUND REVENUE IN HOUSE JOINT RESOLUTION NO. 2 FOR FISCAL YEARS 2017 AND 2018 MINUS THE CERTIFIED UNAUDITED GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND FOR THE SAME FISCAL YEARS; NOT TO EXCEED \$25 MILLION.~~

~~(3) FOR THE PURPOSE OF THIS SECTION, CERTIFIED UNAUDITED GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND ARE THOSE RECORDED IN THE STATEWIDE ACCOUNTING, BUDGETING, AND HUMAN RESOURCE SYSTEM USING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN ACCORDANCE WITH 17-7-102 AND INCLUDE TRANSFERS INTO THE GENERAL FUND: (1) (A) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,216,000,000 BUT GREATER THAN OR EQUAL TO \$2,204,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN THE STATE TREASURER SHALL TRANSFER THE AMOUNT PROVIDED FOR IN SUBSECTION (1)(B) FROM THE FIRE SUPPRESSION ACCOUNT PROVIDED FOR IN 76-13-150 TO THE GENERAL FUND.~~

(B) THE AMOUNT OF THE FUND TRANSFER PROVIDED FOR IN SUBSECTION (1)(A) IS EQUAL TO \$2,216,000,000 MINUS THE AMOUNT OF CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND AT THE END OF FISCAL YEAR 2017, NOT TO EXCEED \$12 MILLION.

(2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,204,000,000 BUT GREATER THAN OR EQUAL TO \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN THE STATE TREASURER SHALL TRANSFER \$24 MILLION FROM THE FIRE SUPPRESSION ACCOUNT PROVIDED FOR IN 76-13-150 TO THE GENERAL FUND.

(3) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN THE STATE TREASURER SHALL TRANSFER \$30 MILLION FROM THE FIRE SUPPRESSION ACCOUNT PROVIDED FOR IN 76-13-150 TO THE GENERAL FUND.

(4) (A) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS LESS THAN THE 2018 GENERAL FUND REVENUE TRIGGER AMOUNT PROVIDED FOR IN [SECTION 10(2)], THEN THE STATE TREASURER SHALL TRANSFER THE AMOUNT PROVIDED FOR IN SUBSECTION (4)(B) FROM THE FIRE SUPPRESSION ACCOUNT PROVIDED FOR IN 76-13-150 TO THE GENERAL FUND.

(B) SUBJECT TO THE TRANSFER LIMIT IN SUBSECTION (5), THE AMOUNT OF THE FUND TRANSFER PROVIDED FOR IN SUBSECTION (4)(A) IS EQUAL TO:

(i) THE 2018 GENERAL FUND REVENUE TRIGGER AMOUNT PROVIDED FOR IN [SECTION 10(2)] MINUS THE AMOUNT OF CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND AT THE END OF FISCAL YEAR 2018; MINUS

(ii) THE AMOUNT OF ANY TRANSFERS FROM THE FIRE SUPPRESSION ACCOUNT TO THE GENERAL FUND DURING FISCAL YEAR 2017 UNDER THE PROVISIONS OF SUBSECTIONS (1) THROUGH (3).

(5) THE TOTAL AMOUNT OF FUND TRANSFERS UNDER THIS SECTION MAY NOT EXCEED \$30 MILLION.

~~NEW SECTION. SECTION 10. APPROPRIATION. (1) THERE IS APPROPRIATED \$100 FROM THE GENERAL FUND TO THE LEGISLATIVE FISCAL DIVISION FOR THE BIENNIUM BEGINNING JULY 1, 2017.~~

~~(2) THE APPROPRIATION MUST BE USED TO PAY FOR COSTS OF THE LEGISLATIVE FINANCE COMMITTEE FOR MONITORING THE PROVISIONS OF [THIS ACT].~~

NEW SECTION. SECTION 8. LEGISLATIVE INTENT. (1) THE LEGISLATURE ACKNOWLEDGES THAT IT IS LIKELY THAT THE EXECUTIVE WILL NEED TO ISSUE NOTES IN ANTICIPATION OF REVENUE PURSUANT TO 17-1-201 DURING THE BIENNIUM BEGINNING JULY 1, 2017, IN ORDER TO PROVIDE THE STATE GENERAL FUND WITH SUFFICIENT CASH RESOURCES TO MEET ITS OBLIGATIONS.

1 (2) (A) THE LEGISLATURE DIRECTS THE STAFF OF THE LEGISLATIVE FISCAL DIVISION AND THE OFFICE OF BUDGET
2 AND PROGRAM PLANNING TO STUDY, ANALYZE, AND MAKE RECOMMENDATIONS REGARDING THE BUDGET STABILIZATION
3 POLICIES TO THE LEGISLATIVE FINANCE COMMITTEE BY MAY 1, 2018. THE STUDY SHOULD ADDRESS:

4 (I) TRIGGER LEVELS IN 17-7-140;

5 (II) LEGISLATIVE AND EXECUTIVE ACCESS TO THE BUDGET STABILIZATION RESERVE FUND;

6 (III) DEPOSIT RULES INTO THE BUDGET STABILIZATION RESERVE FUND; AND

7 (IV) THE LEVEL OF OPERATING RESERVE.

8 (B) THE LEGISLATIVE FISCAL DIVISION AND THE OFFICE OF BUDGET AND PROGRAM PLANNING SHALL WORK
9 JOINTLY TOWARD DEVELOPMENT OF A SET OF BEST PRACTICES FOR THE FUND BY SEPTEMBER 1, 2018.

10
11 NEW SECTION. SECTION 9. CODIFICATION INSTRUCTION. [SECTION 1] IS INTENDED TO BE CODIFIED AS AN
12 INTEGRAL PART OF TITLE 17, CHAPTER 7, PART 1, AND THE PROVISIONS OF TITLE 17, CHAPTER 7, PART 1, APPLY TO
13 [SECTION 1].

14
15 NEW SECTION. SECTION 10. STATE TREASURER NOTIFICATION FOR BUDGET REDUCTIONS AND FUND
16 TRANSFERS. (1) FOR THE PURPOSE OF IMPLEMENTING [SECTIONS 7 AND 11 THROUGH 32], THE STATE TREASURER SHALL
17 NOTIFY THE BUDGET DIRECTOR, THE LEGISLATIVE FISCAL ANALYST, AND THE CODE COMMISSIONER ON OR BEFORE AUGUST
18 15, 2017, IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
19 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS:

20 (A) EQUAL TO OR GREATER THAN \$2,216,000,000;

21 (B) LESS THAN \$2,216,000,000 BUT GREATER THAN OR EQUAL TO \$2,204,000,000 (LEVEL 1 BUDGET
22 REDUCTION);

23 (C) LESS THAN \$2,210,000,000 BUT GREATER THAN OR EQUAL TO \$2,204,000,000 (LEVEL 1.5 BUDGET
24 REDUCTION);

25 (D) LESS THAN \$2,204,000,000 BUT GREATER THAN OR EQUAL TO \$2,192,000,000 (LEVEL 2 BUDGET
26 REDUCTION);

27 (E) LESS THAN \$2,192,000,000 BUT GREATER THAN OR EQUAL TO \$2,180,000,000 (LEVEL 3 BUDGET
28 REDUCTION); OR

29 (F) LESS THAN \$2,180,000,000 (LEVEL 4 BUDGET REDUCTION).

30 (2) (A) FOR THE PURPOSE OF IMPLEMENTING [SECTIONS 7 AND 11 THROUGH 32], THE STATE TREASURER SHALL
31 NOTIFY THE BUDGET DIRECTOR, THE LEGISLATIVE FISCAL ANALYST, AND THE CODE COMMISSIONER ON OR BEFORE AUGUST

1 15, 2018, IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
2 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS LESS THAN THE 2018 GENERAL FUND REVENUE TRIGGER
3 AMOUNT PROVIDED FOR IN SUBSECTION (2)(B).

4 (B) THE 2018 GENERAL FUND REVENUE TRIGGER AMOUNT PROVIDED FOR IN SUBSECTION (2)(A) IS CALCULATED
5 BASED ON THE CERTIFICATION BY THE STATE TREASURER IN SUBSECTION (1) FOR FISCAL YEAR 2017. IF THE UNAUDITED
6 STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017
7 IS:

8 (I) EQUAL TO OR GREATER THAN \$2,216,000,000, AS PROVIDED IN SUBSECTION (1)(A), THEN THE 2018 GENERAL
9 FUND REVENUE TRIGGER AMOUNT IS \$2,372,000,000;

10 (II) LESS THAN \$2,216,000,000 BUT GREATER THAN OR EQUAL TO \$2,204,000,000, AS PROVIDED IN SUBSECTION
11 (1)(B), THEN THE 2018 GENERAL FUND REVENUE TRIGGER AMOUNT IS:

12 (A) \$2,372,000,000; MINUS

13 (B) THE AMOUNT OF THE FIRE SUPPRESSION ACCOUNT TRANSFER TO THE GENERAL FUND UNDER [SECTION 7(1)],
14 NOT TO EXCEED \$12 MILLION;

15 (III) LESS THAN \$2,204,000,000 BUT GREATER THAN OR EQUAL TO \$2,192,000,000, AS PROVIDED IN
16 SUBSECTION (1)(D), THEN THE 2018 GENERAL FUND REVENUE TRIGGER AMOUNT IS \$2,348,000,000; OR

17 (IV) LESS THAN \$2,192,000,000, AS PROVIDED IN SUBSECTION (1)(E) AND (1)(F), THEN THE 2018 GENERAL FUND
18 REVENUE TRIGGER AMOUNT IS \$2,336,000,000.

19 (3) FOR THE PURPOSES [SECTIONS 12 THROUGH 32], THE FOLLOWING DEFINITIONS APPLY:

20 (A) "LEVEL 2 OR BELOW" MEANS A CALCULATION THAT RESULTS IN A 2018 GENERAL FUND REVENUE TRIGGER
21 AMOUNT THAT IS LESS THAN OR EQUAL TO \$2,348,000,000.

22 (B) "LEVEL 3 OR BELOW" MEANS A CALCULATION THAT RESULTS IN A 2018 GENERAL FUND REVENUE TRIGGER
23 AMOUNT THAT IS LESS THAN OR EQUAL TO \$2,336,000,000.

24 (C) "LEVEL 4 OR BELOW" MEANS A CALCULATION THAT RESULTS IN A 2018 GENERAL FUND REVENUE TRIGGER
25 AMOUNT THAT IS LESS THAN OR EQUAL TO \$2,336,000,000.

26 (4) FOR THE PURPOSE OF [SECTIONS 7 AND 11 THROUGH 32] AND THIS SECTION:

27 (A) GENERAL FUND COLLECTIONS ARE THOSE RECORDED IN THE STATEWIDE ACCOUNTING, BUDGETING, AND
28 HUMAN RESOURCE SYSTEM USING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN ACCORDANCE WITH 17-1-102 AND
29 INCLUDE TRANSFERS INTO THE GENERAL FUND; AND

30 (B) TRANSFERS FROM THE FIRE SUPPRESSION ACCOUNT TO THE GENERAL FUND UNDER [SECTION 7] ARE NOT
31 CONSIDERED GENERAL FUND REVENUE.

COORDINATION SECTION. SECTION 11. COORDINATION INSTRUCTION -- LEVEL 1.5 BUDGET REDUCTION
-- HOUSE BILL NO. 17. (1) IF HOUSE BILL NO. 17 IS PASSED AND APPROVED, THEN [SECTION 2 OF HOUSE BILL NO. 17]
MUST BE AMENDED AS FOLLOWS:

"Section 2. Effective date. [This act] is effective ~~July 1,~~ August 15, 2017."

(2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,210,000,000, AS DETERMINED BY THE
STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF HOUSE BILL NO. 17 IS PASSED AND APPROVED, THEN
[SECTION 1 OF HOUSE BILL NO. 17] MUST BE AMENDED AS FOLLOWS:

"Section 1. Appropriation void -- report. (1) (a) ~~The following amounts are appropriated to the~~
~~department of public health and human services to increase the number of basic and adult residential service~~
~~slots under the home and community-based medicaid services waiver administered by the senior and long-term~~
~~care division for elderly and physically disabled individuals:~~

~~———— Fiscal year 2018 ——— \$1,083,686 federal special revenue~~

~~———— \$585,064 general fund~~

~~———— Fiscal year 2019 ——— \$2,528,601 federal special revenue~~

~~———— \$1,365,149 general fund~~

~~———— (b) The department of public health and human services shall increase~~ may consider increasing the
number of basic and adult residential services slots by 200 slots over the biennium beginning July 1, 2019,
phasing in 50 slots every 6 months of the biennium beginning July 1, 2019.

~~(2)(b) (a) The following amounts are appropriated to the~~ The department of public health and human
services ~~to increase~~ may consider increasing the reimbursement rate for adult residential service slots in the
home and community-based services waiver administered by the senior and long-term care division for elderly
and physically disabled individuals:

~~———— Fiscal year 2018 ——— \$2,185,989 federal special revenue~~

~~———— \$1,180,178 general fund~~

~~———— Fiscal year 2019 ——— \$3,990,608 federal special revenue~~

~~———— \$2,154,461 general fund~~

~~———— (b) The appropriation provided for in this subsection (2) must be used to:~~

~~———— (i) If an increase is considered,~~ the base daily reimbursement rate for:

(i) 85% of the adult residential slots may be increased by up to \$5.80 starting July 1, 2017 2019, and then

every 6 months thereafter of the ~~2019~~ 2021 biennium; and

(ii) ~~increase the base daily reimbursement rate for up to 15% of the adult residential slots may be increased by up to \$44.90 effective July 1, 2017~~ 2019, to pay for memory care for individuals with Alzheimer's disease or other dementias.

~~(3)~~ (2) The department shall report to the children, families, health, and human services interim committee by September 15, ~~2018~~ 2020, and to the ~~66th~~ 67th legislature, as provided in 5-11-210, on ~~the any decisions to increase waiver slots and enhance reimbursement rates and the effectiveness of the increased waiver slots and enhanced reimbursement rates. The~~ If a decision was made to increase waiver slots and enhance reimbursement rates, the report must include information on:

(a) the use of the new waiver slots;

(b) whether the increased reimbursement rates led to an increase in the number of providers accepting medicaid clients;

(c) whether the percentage of slots designated for memory care was adequate to address the need for that care; and

(d) whether fewer patients with Alzheimer's disease or other dementias were admitted to state facilities, including the Montana state hospital and the Montana mental health nursing care center. If fewer patients were admitted to state facilities, the department must estimate the amount of money saved by placing fewer individuals with Alzheimer's disease or other dementias in the facilities.

~~(4) The legislature intends that the appropriations in this section be considered a part of the ongoing base for the next legislative session."~~

COORDINATION SECTION. SECTION 12. COORDINATION INSTRUCTION -- LEVEL 2 BUDGET REDUCTION -- ACROSS-THE-BOARD REDUCTION IN GENERAL FUND APPROPRIATIONS. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,204,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF HOUSE BILL NO. 2 IS PASSED AND APPROVED [SECTION 11 OF HOUSE BILL NO. 2] MUST BE AMENDED AS FOLLOWS:

"Section 11. Appropriations -- reduced appropriations for certain fiscal year 2018 and 2019 general fund appropriations. The (1) All general fund appropriations in this section for fiscal years 2018 and 2019, excluding the appropriations for K-12 BASE Aid, Reimbursement Block Grants, State Tuition Payments, Transportation, Natural Resource Development K-12 School Facilities Payment, and the Coal-Fired Generating Unit Closure Mitigation Block Grant are reduced by 0.5%.

(2) Subject to subsection (1), the following money is appropriated for the respective fiscal years:"

(2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 2 OR BELOW AS PROVIDED IN [SECTION 10(3)], AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION OF SUBSECTION (1), THEN IF HOUSE BILL NO. 2 IS PASSED AND APPROVED [SECTION 11 OF HOUSE BILL NO. 2] MUST BE AMENDED AS FOLLOWS:

"Section 11. Appropriations -- reduced appropriations for certain fiscal year 2019 general fund appropriations. The (1) All general fund appropriations in this section for fiscal year 2019, excluding the appropriations for K-12 BASE Aid, Reimbursement Block Grants, State Tuition Payments, Transportation, Natural Resource Development K-12 School Facilities Payment, Special Education, and the Coal-Fired Generating Unit Closure Mitigation Block Grant are reduced by 0.5%.

(2) Subject to subsection (1), the following money is appropriated for the respective fiscal years:"

COORDINATION SECTION. SECTION 13. COORDINATION INSTRUCTION -- LEVEL 2 BUDGET REDUCTION -- REDUCTION IN STATE FUND CLAIMS ADMINISTRATION. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,204,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN 39-71-2352 MUST BE AMENDED AS FOLLOWS:

"39-71-2352. Separate payment structure and sources for claims for injuries resulting from accidents that occurred before July 1, 1990, and on or after July 1, 1990 -- spending limit -- authorizing transfer of money. (1) Premiums paid to the state fund based upon wages payable before July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occurred before July 1, 1990. Premiums paid to the state fund based upon wages payable on or after July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occur on or after July 1, 1990.

(2) The state fund shall:

(a) determine the cost of administering and paying claims for injuries resulting from accidents that occurred before July 1, 1990, and separately determine the cost of administering and paying claims for injuries resulting from accidents that occur on or after July 1, 1990;

(b) keep adequate and separate accounts of the costs determined under subsection (2)(a); and

(c) fund administrative expenses and benefit payments for claims for injuries resulting from accidents that occurred before July 1, 1990, and claims for injuries resulting from accidents that occur on or after July 1,

1 1990, separately from the sources provided by law.

2 (3) The state fund may not spend more than ~~\$1.25 million~~ \$625,000 a year to administer claims for
3 injuries resulting from accidents that occurred before July 1, 1990.

4 (4) As used in this section, "adequately funded" means the present value of:

5 (a) the total cost of future benefits remaining to be paid; and

6 (b) the cost of administering the claims.

7 (5) An amount of funds in excess of the adequate funding amount established in subsection (4), based
8 on audited financial statements adjusted for unrealized gains and losses, must be transferred to the general fund.

9 (6) If in any fiscal year after the old fund liability tax is terminated claims for injuries resulting from
10 accidents that occurred before July 1, 1990, are not adequately funded, any amount necessary to pay claims for
11 injuries resulting from accidents that occurred before July 1, 1990, must be transferred from the general fund to
12 the account provided for in 39-71-2321.

13 (7) The independent actuary engaged by the state fund pursuant to 39-71-2330 shall project the unpaid
14 claims liability for claims for injuries resulting from accidents that occurred before July 1, 1990, each fiscal year
15 until all claims are paid."

16 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
17 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 2 OR BELOW AS PROVIDED IN [SECTION 10(3)],
18 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
19 OF SUBSECTION (1), THEN 39-71-2352 MUST BE AMENDED AS FOLLOWS:

20 **"39-71-2352. Separate payment structure and sources for claims for injuries resulting from**
21 **accidents that occurred before July 1, 1990, and on or after July 1, 1990 -- spending limit -- authorizing**
22 **transfer of money.** (1) Premiums paid to the state fund based upon wages payable before July 1, 1990, may
23 be used only to administer and pay claims for injuries resulting from accidents that occurred before July 1, 1990.
24 Premiums paid to the state fund based upon wages payable on or after July 1, 1990, may be used only to
25 administer and pay claims for injuries resulting from accidents that occur on or after July 1, 1990.

26 (2) The state fund shall:

27 (a) determine the cost of administering and paying claims for injuries resulting from accidents that
28 occurred before July 1, 1990, and separately determine the cost of administering and paying claims for injuries
29 resulting from accidents that occur on or after July 1, 1990;

30 (b) keep adequate and separate accounts of the costs determined under subsection (2)(a); and

31 (c) fund administrative expenses and benefit payments for claims for injuries resulting from accidents

that occurred before July 1, 1990, and claims for injuries resulting from accidents that occur on or after July 1, 1990, separately from the sources provided by law.

(3) The state fund may not spend more than ~~\$1.25 million~~ \$625,000 a year to administer claims for injuries resulting from accidents that occurred before July 1, 1990.

(4) As used in this section, "adequately funded" means the present value of:

(a) the total cost of future benefits remaining to be paid; and

(b) the cost of administering the claims.

(5) An amount of funds in excess of the adequate funding amount established in subsection (4), based on audited financial statements adjusted for unrealized gains and losses, must be transferred to the general fund.

(6) If in any fiscal year after the old fund liability tax is terminated claims for injuries resulting from accidents that occurred before July 1, 1990, are not adequately funded, any amount necessary to pay claims for injuries resulting from accidents that occurred before July 1, 1990, must be transferred from the general fund to the account provided for in 39-71-2321.

(7) The independent actuary engaged by the state fund pursuant to 39-71-2330 shall project the unpaid claims liability for claims for injuries resulting from accidents that occurred before July 1, 1990, each fiscal year until all claims are paid."

COORDINATION SECTION. SECTION 14. COORDINATION INSTRUCTION -- LEVEL 2 BUDGET REDUCTION --

HELP ACT THIRD-PARTY ADMINISTRATOR. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,204,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN NOTWITHSTANDING 53-6-1305, FOR THE BIENNIUM BEGINNING JULY 1, 2017, THE DEPARTMENT OF PUBLIC HEALTH AND HUMANS SERVICES:

(A) MAY NOT ENTER INTO A NEW CONTRACT WITH ONE OR MORE INSURANCE COMPANIES OR THIRD-PARTY ADMINISTRATORS TO ASSIST IN ADMINISTERING THE MONTANA HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP (HELP) ACT PROVIDED FOR IN 53-6-1301; AND

(B) MUST TERMINATE ANY EXISTING CONTRACT WITH AN INSURANCE COMPANY OR THIRD-PARTY ADMINISTRATOR RELATED TO THE MONTANA HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP (HELP) ACT.

(2) IT IS THE INTENT OF THE LEGISLATURE THAT THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES REFRAIN FROM CONTRACTING WITH ONE OR MORE INSURANCE COMPANIES OR THIRD-PARTY ADMINISTRATORS IN ADMINISTERING THE MONTANA HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP (HELP) ACT UNTIL A DETERMINATION IS MADE BY THE STATE TREASURER THAT REVENUE FOR FISCAL YEAR 2017 IS EQUAL TO OR GREATER THAN

1 \$2,204,000,000.

2 (3) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
3 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 2 OR BELOW AS PROVIDED IN [SECTION 10(3)],
4 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
5 OF SUBSECTION (1), THEN THE PROVISIONS OF SUBSECTION (1) APPLY TO FISCAL YEAR 2019.

6
7 COORDINATION SECTION. SECTION 15. COORDINATION INSTRUCTION -- LEVEL 3 BUDGET REDUCTION --
8 REDUCTION IN APPROPRIATION -- GOVERNOR'S OFFICE. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL
9 FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN
10 \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF HOUSE BILL NO.
11 2 IS PASSED AND APPROVED, THEN THE GOVERNOR'S OFFICE GENERAL FUND APPROPRIATION FOR "MENTAL DISABILITIES
12 BOARD OF VISITORS" IN HOUSE BILL NO. 2 IS REDUCED BY \$90,000 IN FISCAL YEAR 2018 AND \$90,000 IN FISCAL YEAR
13 2019.

14 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
15 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 3 OR BELOW AS PROVIDED IN [SECTION 10(3)],
16 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
17 OF SUBSECTION (1), THEN THE GOVERNOR'S OFFICE GENERAL FUND APPROPRIATION FOR "MENTAL DISABILITIES BOARD
18 OF VISITORS" IN HOUSE BILL NO. 2 IS REDUCED BY \$90,000 IN FISCAL YEAR 2019.

19 (3) THE GOVERNOR'S OFFICE MAY ALLOCATE THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2)
20 AMONG PROGRAMS WHEN DEVELOPING 2019 BIENNIUM OPERATING PLANS.

21 (4) THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2) ARE IN ADDITION TO THE ACROSS-THE-BOARD
22 REDUCTION IN GENERAL FUND APPROPRIATIONS IN [SECTION 12].

23
24 COORDINATION SECTION. SECTION 16. COORDINATION INSTRUCTION -- LEVEL 3 BUDGET REDUCTION --
25 REDUCTION IN APPROPRIATION -- LEGISLATIVE BRANCH. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL
26 FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN
27 \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF HOUSE BILL NO.
28 2 IS PASSED AND APPROVED, THEN THE LEGISLATIVE BRANCH GENERAL FUND APPROPRIATION FOR "LEGISLATIVE
29 SERVICES" IN HOUSE BILL NO. 2 IS REDUCED BY \$133,883 IN FISCAL YEAR 2018 AND \$133,851 IN FISCAL YEAR 2019.

30 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
31 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 3 OR BELOW AS PROVIDED IN [SECTION 10(3)],

1 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
2 OF SUBSECTION (1), THEN THE LEGISLATIVE BRANCH GENERAL FUND APPROPRIATION FOR "LEGISLATIVE SERVICES" IN
3 HOUSE BILL NO. 2 IS REDUCED BY \$133,851 IN FISCAL YEAR 2019.

4 (3) THE LEGISLATIVE BRANCH MAY ALLOCATE THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2)
5 AMONG PROGRAMS WHEN DEVELOPING 2019 BIENNIUM OPERATING PLANS.

6 (4) THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2) ARE IN ADDITION TO THE ACROSS-THE-BOARD
7 REDUCTION IN GENERAL FUND APPROPRIATIONS IN [SECTION 12].

8
9 COORDINATION SECTION. SECTION 17. COORDINATION INSTRUCTION -- LEVEL 3 BUDGET REDUCTION --
10 REDUCTION IN APPROPRIATION -- MONTANA STATE LIBRARY COMMISSION. (1) IF THE AMOUNT OF THE CERTIFIED
11 UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL
12 YEAR 2017 IS LESS THAN \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017,
13 AND IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THEN THE MONTANA STATE LIBRARY COMMISSION GENERAL FUND
14 APPROPRIATION FOR "STATEWIDE LIBRARY RESOURCES" IN HOUSE BILL NO. 2 IS REDUCED BY \$666,527 IN FISCAL YEAR
15 2018 AND \$669,513 IN FISCAL YEAR 2019 AND THE FOLLOWING LANGUAGE IS INSERTED UNDER "MONTANA STATE
16 LIBRARY COMMISSION":

17 "Statewide Library Resources is appropriated up to \$666,527 of propriety funding in fiscal year 2018 and
18 \$669,513 of propriety funding in fiscal year 2019 to offset the general fund appropriation reduction in Senate Bill
19 No. 261."

20 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
21 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 3 OR BELOW AS PROVIDED IN [SECTION 10(3)],
22 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
23 OF SUBSECTION (1), THEN THE MONTANA STATE LIBRARY COMMISSION GENERAL FUND APPROPRIATION FOR "STATEWIDE
24 LIBRARY RESOURCES" IN HOUSE BILL NO. 2 IS REDUCED BY \$669,513 IN FISCAL YEAR 2019 AND THE FOLLOWING
25 LANGUAGE IS INSERTED UNDER "MONTANA STATE LIBRARY COMMISSION":

26 "Statewide Library Resources is appropriated up to \$669,513 of propriety funding in fiscal year 2019 to
27 offset the general fund appropriation reduction in Senate Bill No. 261."

28 (3) THE LEGISLATURE INTENDS THAT THE APPROPRIATION REDUCTION IN SUBSECTIONS (1) AND (2) BE USED TO
29 REDUCE GENERAL FUND APPROPRIATIONS IN SUPPORT OF THE MONTANA DIGITAL LIBRARY PROGRAM BY 50%.

30 (4) THE MONTANA STATE LIBRARY COMMISSION MAY ALLOCATE THE APPROPRIATION REDUCTIONS IN
31 SUBSECTIONS (1) AND (2) AMONG PROGRAMS WHEN DEVELOPING 2019 BIENNIUM OPERATING PLANS.

(5) THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2) ARE IN ADDITION TO THE ACROSS-THE-BOARD REDUCTION IN GENERAL FUND APPROPRIATIONS IN [SECTION 12].

COORDINATION SECTION. SECTION 18. COORDINATION INSTRUCTION -- LEVEL 3 BUDGET REDUCTION -- REDUCTION IN APPROPRIATION -- MONTANA HISTORICAL SOCIETY -- INCREASE IN STATE SPECIAL REVENUE FUND AUTHORITY. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THEN THE MONTANA HISTORICAL SOCIETY GENERAL FUND APPROPRIATION FOR "RESEARCH CENTER" IN HOUSE BILL NO. 2 IS REDUCED BY \$608,710 IN FISCAL YEAR 2018 AND \$609,786 IN FISCAL YEAR 2019 AND THE FOLLOWING LANGUAGE IS INSERTED UNDER "MONTANA HISTORICAL SOCIETY":

"Research Center is appropriated up to \$608,710 of propriety funding in fiscal year 2018 and \$609,786 of propriety funding in fiscal year 2019 to offset the general fund appropriation reduction in Senate Bill No. 261."

(2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 3 OR BELOW AS PROVIDED IN [SECTION 10(3)], AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION OF SUBSECTION (1), THEN THE MONTANA HISTORICAL SOCIETY GENERAL FUND APPROPRIATION FOR "RESEARCH CENTER" IN HOUSE BILL NO. 2 IS REDUCED BY \$609,786 IN FISCAL YEAR 2019 AND THE FOLLOWING LANGUAGE IS INSERTED UNDER "MONTANA HISTORICAL SOCIETY":

"Research Center is appropriated up to \$609,786 of propriety funding in fiscal year 2019 to offset the general fund appropriation reduction in Senate Bill No. 261."

(3) THE LEGISLATURE INTENDS THAT THE APPROPRIATION REDUCTION IN SUBSECTIONS (1) AND (2) BE USED TO REDUCE GENERAL FUND APPROPRIATIONS IN SUPPORT OF THE RESEARCH CENTER PROGRAM BY 50%.

(4) THE MONTANA HISTORICAL SOCIETY MAY ALLOCATE THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2) AMONG PROGRAMS WHEN DEVELOPING 2019 BIENNIUM OPERATING PLANS.

(5) THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2) ARE IN ADDITION TO THE ACROSS-THE-BOARD REDUCTION IN GENERAL FUND APPROPRIATIONS IN [SECTION 12].

(6) IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THEN THE MONTANA HISTORICAL SOCIETY STATE SPECIAL REVENUE FUND APPROPRIATION FOR "MUSEUM PROGRAM" IN HOUSE BILL NO. 2 IS INCREASED BY \$97,115 IN FISCAL YEAR 2018 AND \$91,695 IN FISCAL YEAR 2019. THE INCREASE IN THIS SUBSECTION (6) IS NOT CONTINGENT ON REVENUE PROJECTIONS.

1
2 COORDINATION SECTION. SECTION 19. COORDINATION INSTRUCTION -- LEVEL 3 BUDGET REDUCTION --
3 FUND TRANSFER FROM LODGING FACILITY USE TAX ACCOUNT. (1) (A) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE
4 GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS
5 THAN \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN
6 NOTWITHSTANDING 15-65-121(5), THE STATE TREASURER SHALL TRANSFER THE AMOUNT PROVIDED FOR IN SUBSECTION
7 (1)(B) FROM THE STATE SPECIAL REVENUE ACCOUNT PROVIDED FOR IN 15-65-121(5) TO THE GENERAL FUND DURING THE
8 BIENNIUM BEGINNING JULY 1, 2017. THE DISTRIBUTIONS UNDER 15-65-121(2)(D) MUST BE REDUCED BY THE AMOUNT
9 THAT IS TRANSFERRED TO THE GENERAL FUND.

10 (B) THE AMOUNT OF THE FUND TRANSFER PROVIDED FOR IN SUBSECTION (1)(A) IS EQUAL TO 8.1% OF THE 64.9%
11 THAT IS DISTRIBUTED DURING THE BIENNIUM BEGINNING JULY 1, 2017, UNDER 15-65-121(2)(D). THE STATE TREASURER
12 MAY DEPOSIT THE AMOUNT TO THE CREDIT OF THE STATE GENERAL FUND PERIODICALLY DURING THE BIENNIUM AT THE
13 SAME TIME AS THE OTHER DISTRIBUTIONS, AS LONG AS THE TOTAL AMOUNT OF THE DISTRIBUTION AT THE END OF EACH
14 FISCAL YEAR IS EQUAL TO 8.1% OF THE 64.9% OF THE TAX PROCEEDS DISTRIBUTED UNDER 15-65-121(2)(D).

15 (2) (A) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
16 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 3 OR BELOW AS PROVIDED IN [SECTION 10(3)],
17 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
18 OF SUBSECTION (1), THEN NOTWITHSTANDING 15-65-121(5), THE STATE TREASURER SHALL TRANSFER THE AMOUNT
19 PROVIDED FOR IN SUBSECTION (2)(B) FROM THE STATE SPECIAL REVENUE ACCOUNT PROVIDED FOR IN 15-65-121(5) TO
20 THE GENERAL FUND DURING THE FISCAL YEAR BEGINNING JULY 1, 2018. THE DISTRIBUTIONS UNDER 15-65-121(2)(D)
21 MUST BE REDUCED BY THE AMOUNT THAT IS TRANSFERRED TO THE GENERAL FUND.

22 (B) THE AMOUNT OF THE FUND TRANSFER PROVIDED FOR IN SUBSECTION (2)(A) IS EQUAL TO 8.1% OF THE 64.9%
23 THAT IS DISTRIBUTED DURING THE FISCAL YEAR BEGINNING JULY 1, 2018, UNDER 15-65-121(2)(D). THE STATE
24 TREASURER MAY DEPOSIT THE AMOUNT TO THE CREDIT OF THE STATE GENERAL FUND PERIODICALLY DURING FISCAL YEAR
25 2019 AT THE SAME TIME AS THE OTHER DISTRIBUTIONS, AS LONG AS THE TOTAL AMOUNT OF THE DISTRIBUTION AT THE
26 END OF FISCAL YEAR 2019 IS EQUAL TO 8.1% OF THE 64.9% OF THE TAX PROCEEDS DISTRIBUTED UNDER
27 15-65-121(2)(D).

28
29 COORDINATION SECTION. SECTION 20. COORDINATION INSTRUCTION -- LEVEL 3 BUDGET REDUCTION --
30 REDUCTION IN APPROPRIATION -- DEPARTMENT OF AGRICULTURE. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE
31 GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS

1 THAN \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF HOUSE BILL
2 NO. 2 IS PASSED AND APPROVED, THEN THE DEPARTMENT OF AGRICULTURE GENERAL FUND APPROPRIATION FOR
3 "AGRICULTURAL DEVELOPMENT DIVISION" IN HOUSE BILL NO. 2 IS REDUCED BY \$128,244 IN FISCAL YEAR 2018 AND
4 \$128,383 IN FISCAL YEAR 2019.

5 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
6 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 3 OR BELOW AS PROVIDED IN [SECTION 10(3)].
7 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
8 OF SUBSECTION (1), THEN THE DEPARTMENT OF AGRICULTURE GENERAL FUND APPROPRIATION FOR "AGRICULTURAL
9 DEVELOPMENT DIVISION" IN HOUSE BILL NO. 2 IS REDUCED BY \$128,383 IN FISCAL YEAR 2019.

10 (3) THE LEGISLATURE INTENDS THAT THE APPROPRIATION REDUCTION IN SUBSECTIONS (1) AND (2) BE USED TO
11 REDUCE HOUSE BILL NO. 2 GENERAL FUND APPROPRIATIONS IN SUPPORT OF THE AGRICULTURAL MARKETING PROGRAM
12 BY 50%.

13 (4) THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2) ARE IN ADDITION TO THE ACROSS-THE-BOARD
14 REDUCTION IN GENERAL FUND APPROPRIATIONS IN [SECTION 12].

15
16 COORDINATION SECTION. SECTION 21. COORDINATION INSTRUCTION -- LEVEL 3 BUDGET REDUCTION --
17 REDUCTION IN APPROPRIATION -- DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES. (1) IF THE AMOUNT OF THE
18 CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END
19 OF FISCAL YEAR 2017 IS LESS THAN \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST
20 15, 2017, AND IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THEN THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN
21 SERVICES GENERAL FUND APPROPRIATION FOR "HEALTH RESOURCES DIVISION" IN HOUSE BILL NO. 2 IS REDUCED BY
22 \$3,500,000 IN FISCAL YEAR 2018 AND \$3,500,000 IN FISCAL YEAR 2019.

23 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
24 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 3 OR BELOW AS PROVIDED IN [SECTION 10(3)].
25 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
26 OF SUBSECTION (1), THEN THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES GENERAL FUND APPROPRIATION
27 FOR "HEALTH RESOURCES DIVISION" IN HOUSE BILL NO. 2 IS REDUCED BY \$3,500,000 IN FISCAL YEAR 2019.

28 (3) THE LEGISLATURE INTENDS THAT THE APPROPRIATION REDUCTION IN SUBSECTIONS (1) AND (2) BE USED TO
29 REDUCE MEDICAID PROVIDER RATES OVER THE 2019 BIENNIUM. FOR THE PURPOSE OF THIS SUBSECTION (3), THE RATE
30 REDUCTION MUST BE CALCULATED TO PROVIDE FOR PERCENTAGE BASED EQUIVALENCY BETWEEN ALL SINGLE PROVIDERS
31 AND PROVIDER TYPES TO ENSURE THAT ALL SINGLE PROVIDER OR PROVIDER TYPES ARE SUBJECT TO THE SAME

1 REDUCTION PERCENTAGE.

2 (4) THE APPROPRIATION REDUCTIONS IN SUBSECTIONS (1) AND (2) ARE IN ADDITION TO THE ACROSS-THE-BOARD
3 REDUCTION IN GENERAL FUND APPROPRIATIONS IN [SECTION 12].

4
5 COORDINATION SECTION. SECTION 22. COORDINATION INSTRUCTION -- LEVEL 3 BUDGET REDUCTION --
6 MENTAL HEALTH TARGETED CASE MANAGEMENT SERVICES. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE
7 GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS
8 THAN \$2,192,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN FOR THE
9 BIENNIUM BEGINNING JULY 1, 2017, THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES GENERAL FUND
10 APPROPRIATION IN HOUSE BILL NO. 2 FOR THE:

11 (A) "ADDICTIVE AND MENTAL DISORDER DIVISION" IS REDUCED BY \$965,000 IN FISCAL YEAR 2018 AND
12 \$965,000 IN FISCAL YEAR 2019; AND

13 (B) "DEVELOPMENTAL SERVICES DIVISION" IS REDUCED BY \$965,000 IN FISCAL YEAR 2018 AND \$965,000 IN
14 FISCAL YEAR 2019.

15 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
16 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 3 OR BELOW AS PROVIDED IN [SECTION 10(3)],
17 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
18 OF SUBSECTION (1), THEN THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES GENERAL FUND APPROPRIATION
19 IN HOUSE BILL NO. 2 FOR THE:

20 (A) "ADDICTIVE AND MENTAL DISORDER DIVISION" IS REDUCED BY \$965,000 IN FISCAL YEAR 2019; AND

21 (B) "DEVELOPMENTAL SERVICES DIVISION" IS REDUCED BY \$965,000 IN FISCAL YEAR 2019.

22 (3) THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES SHALL REDUCE REIMBURSEMENTS FOR
23 TARGETED CASE MANAGEMENT SERVICES FOR ADULT AND CHILDREN'S MENTAL HEALTH BY THE AMOUNT OF THE
24 REDUCTIONS IN SUBSECTIONS (1) AND (2).

25 (4) THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES MAY ALLOCATE THE APPROPRIATION
26 REDUCTIONS IN SUBSECTIONS (1) AND (2) AMONG THE ADDICTIVE AND MENTAL DISORDER DIVISION AND THE
27 DEVELOPMENTAL SERVICES DIVISION WHEN DEVELOPING 2019 BIENNIUM OPERATING PLANS.

28
29 COORDINATION SECTION. SECTION 23. COORDINATION INSTRUCTION -- LEVEL 4 -- BROADBAND PAY PLAN
30 -- APPROPRIATION VOID. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND
31 TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,180,000,000, AS

1 DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF SENATE BILL No. 294 IS PASSED AND
2 APPROVED, THEN THE GENERAL FUND APPROPRIATIONS IN [SECTION 12 OF SENATE BILL No. 294] FOR:

3 (A) FISCAL YEAR 2018 FOR "LEGISLATIVE BRANCH", "JUDICIAL BRANCH", "EXECUTIVE BRANCH", AND "MONTANA
4 UNIVERSITY SYSTEM" ARE VOID; AND

5 (B) FISCAL YEAR 2019 FOR "LEGISLATIVE BRANCH" IS REDUCED FROM \$124,184 TO \$35,180, "JUDICIAL
6 BRANCH" IS REDUCED FROM \$297,576 TO \$84,299, "EXECUTIVE BRANCH" IS REDUCED FROM \$3,756,611 TO
7 \$1,064,196, AND "MONTANA UNIVERSITY SYSTEM" IS REDUCED FROM \$3,493,577 TO \$1,142,646.

8 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
9 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 4 OR BELOW AS PROVIDED IN [SECTION 10(3)],
10 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
11 OF SUBSECTION (1), AND IF SENATE BILL No. 294 IS PASSED AND APPROVED, THEN THE GENERAL FUND APPROPRIATIONS
12 IN [SECTION 12 OF SENATE BILL No. 294] FOR FISCAL YEAR 2019 FOR "LEGISLATIVE BRANCH" IS REDUCED FROM
13 \$124,184 TO \$35,180, "JUDICIAL BRANCH" IS REDUCED FROM \$297,576 TO \$84,299, "EXECUTIVE BRANCH" IS REDUCED
14 FROM \$3,756,611 TO \$1,064,196, AND "MONTANA UNIVERSITY SYSTEM" IS REDUCED FROM \$3,493,577 TO \$1,142,646.

15
16 COORDINATION SECTION. SECTION 24. COORDINATION INSTRUCTION -- LEVEL 4 BUDGET REDUCTION --
17 SECONDARY VO-ED. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS
18 INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,180,000,000, AS DETERMINED
19 BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF HOUSE BILL No. 2 IS PASSED AND APPROVED, THEN
20 THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION GENERAL FUND APPROPRIATION FOR "SECONDARY VO-ED" IN
21 HOUSE BILL No. 2 MUST BE REDUCED BY \$500,000 IN FISCAL YEAR 2018 AND BY \$500,000 IN FISCAL YEAR 2019.

22 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
23 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 4 OR BELOW AS PROVIDED IN [SECTION 10(3)],
24 AND IF HOUSE BILL No. 2 IS PASSED AND APPROVED, THEN THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION
25 GENERAL FUND APPROPRIATION FOR "SECONDARY VO-ED" IN HOUSE BILL No. 2 MUST BE REDUCED BY \$500,000 IN
26 FISCAL YEAR 2019.

27
28 COORDINATION SECTION. SECTION 25. COORDINATION INSTRUCTION -- LEVEL 4 BUDGET REDUCTION --
29 DATA-FOR-ACHIEVEMENT PAYMENT. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE
30 AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,180,000,000,
31 AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN:

1 (A) NOTWITHSTANDING 20-9-306, 20-9-308, 20-9-325, 20-9-326, 20-9-344, AND 20-9-366, THE OFFICE OF
2 PUBLIC INSTRUCTION SHALL SUSPEND PAYMENT OF THE DATA-FOR-ACHIEVEMENT PAYMENT FOR FISCAL YEAR 2018 AND
3 FISCAL YEAR 2019 AND REDUCE BASE AID PAYMENTS TO SCHOOL DISTRICTS ACCORDINGLY; AND

4 (B) IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION
5 GENERAL FUND APPROPRIATION FOR "K-12 BASE Aid" IN HOUSE BILL NO. 2 MUST BE REDUCED BY \$3,109,347 IN FISCAL
6 YEAR 2018 AND BY \$3,180,038 IN FISCAL YEAR 2019 FOR THE PURPOSE OF SUSPENDING THE DATA-FOR-ACHIEVEMENT
7 PAYMENT.

8 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
9 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 4 OR BELOW AS PROVIDED IN [SECTION 10(3)],
10 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
11 OF SUBSECTION (1), THEN:

12 (A) NOTWITHSTANDING 20-9-306, 20-9-308, 20-9-325, 20-9-326, 20-9-344, AND 20-9-366, THE OFFICE OF
13 PUBLIC INSTRUCTION SHALL SUSPEND PAYMENT OF THE DATA-FOR-ACHIEVEMENT PAYMENT FOR FISCAL YEAR 2019 AND
14 REDUCE BASE AID PAYMENTS TO SCHOOL DISTRICTS ACCORDINGLY; AND

15 (B) IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION
16 GENERAL FUND APPROPRIATION FOR "K-12 BASE Aid" IN HOUSE BILL NO. 2 MUST BE REDUCED BY \$3,180,038 IN FISCAL
17 YEAR 2019 FOR THE PURPOSE OF SUSPENDING THE DATA-FOR-ACHIEVEMENT PAYMENT.

18
19 COORDINATION SECTION. SECTION 26. COORDINATION INSTRUCTION -- LEVEL 4 BUDGET REDUCTION --
20 COMBINED FUND BLOCK GRANTS. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND
21 TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,180,000,000, AS
22 DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN:

23 (A) NOTWITHSTANDING 20-9-630, THE OFFICE OF PUBLIC INSTRUCTION SHALL REDUCE THE AMOUNT OF THE
24 SCHOOL DISTRICT COMBINED FUND BLOCK GRANTS BY 47.68% FOR BOTH FISCAL YEAR 2018 AND FISCAL YEAR 2019; AND

25 (B) IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION
26 GENERAL FUND APPROPRIATION FOR "REIMBURSEMENT BLOCK GRANTS" IN HOUSE BILL NO. 2 MUST BE REDUCED BY
27 \$2,800,000 IN FISCAL YEAR 2018 AND BY \$2,800,000 IN FISCAL YEAR 2019 FOR THE PURPOSE OF REDUCING SCHOOL
28 DISTRICT COMBINED FUND BLOCK GRANTS.

29 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
30 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 4 OR BELOW AS PROVIDED IN [SECTION 10(3)],
31 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION

1 OF SUBSECTION (1), THEN:

2 (A) NOTWITHSTANDING 20-9-630, THE OFFICE OF PUBLIC INSTRUCTION SHALL REDUCE THE AMOUNT OF THE
3 SCHOOL DISTRICT COMBINED FUND BLOCK GRANTS BY 47.68% FOR FISCAL YEAR 2019; AND

4 (B) IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION
5 GENERAL FUND APPROPRIATION FOR "REIMBURSEMENT BLOCK GRANTS" IN HOUSE BILL NO. 2 MUST BE REDUCED BY
6 \$2,800,000 IN FISCAL YEAR 2019 FOR THE PURPOSE OF REDUCING SCHOOL DISTRICT COMBINED FUND BLOCK GRANTS.

7
8 COORDINATION SECTION. SECTION 27. COORDINATION INSTRUCTION -- LEVEL 4 BUDGET REDUCTION --
9 NATURAL RESOURCE DEVELOPMENT PAYMENT. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND
10 REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN
11 \$2,180,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN:

12 (A) IF HOUSE BILL NO. 647 IS PASSED AND APPROVED, [SECTION 18(2) OF HOUSE BILL NO. 647] MUST BE
13 AMENDED AS FOLLOWS:

14 "(2) Beginning in fiscal year ~~2019~~ 2020, the superintendent of public instruction shall annually deposit
15 no later than March 31 in the school facility and technology account provided for in 20-9-516 the natural resource
16 development K-12 school facilities payment, which is calculated as the greater of:

17 (a) ~~\$5.8 million in fiscal year 2019~~, \$6.4 million in fiscal year 2020, \$7.6 million in fiscal year 2021, and
18 \$10 million in fiscal year 2022, increased by an inflationary adjustment calculated as provided in 20-9-326 in each
19 succeeding fiscal year; or

20 (b) 5% of the oil and natural gas production taxes deposited in the general fund pursuant to 15-36-331(4)
21 for the fiscal year occurring 2 fiscal years prior to the fiscal year of the payment."; AND

22 (B) IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION
23 GENERAL FUND APPROPRIATION FOR THE "NATURAL RESOURCE DEVELOPMENT K-12 SCHOOL FACILITIES PAYMENT" IN
24 HOUSE BILL NO. 2 FOR 2019 MUST BE ELIMINATED.

25 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
26 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 4 OR BELOW AS PROVIDED IN [SECTION 10(3)],
27 AND IF PRIOR GENERAL FUND COLLECTIONS FOR FISCAL YEAR 2017 WERE HIGH ENOUGH TO PREVENT IMPLEMENTATION
28 OF SUBSECTION (1), THEN:

29 (A) IF HOUSE BILL NO. 647 IS PASSED AND APPROVED, [SECTION 18(2) OF HOUSE BILL NO. 647] MUST BE
30 AMENDED AS FOLLOWS:

31 "(2) Beginning in fiscal year ~~2019~~ 2020, the superintendent of public instruction shall annually deposit

no later than March 31 in the school facility and technology account provided for in 20-9-516 the natural resource development K-12 school facilities payment, which is calculated as the greater of:

(a) ~~\$5.8 million in fiscal year 2019~~, \$6.4 million in fiscal year 2020, \$7.6 million in fiscal year 2021, and \$10 million in fiscal year 2022, increased by an inflationary adjustment calculated as provided in 20-9-326 in each succeeding fiscal year; or

(b) 5% of the oil and natural gas production taxes deposited in the general fund pursuant to 15-36-331(4) for the fiscal year occurring 2 fiscal years prior to the fiscal year of the payment."; AND

(B) IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THE OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION GENERAL FUND APPROPRIATION FOR THE "NATURAL RESOURCE DEVELOPMENT K-12 SCHOOL FACILITIES PAYMENT" IN HOUSE BILL NO. 2 FOR 2019 MUST BE ELIMINATED.

COORDINATION SECTION. SECTION 28. COORDINATION INSTRUCTION -- LEVEL 4 BUDGET REDUCTION -- NATIVE LANGUAGE PRESERVATION. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,180,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THEN THE DEPARTMENT OF COMMERCE GENERAL FUND APPROPRIATION FOR "NATIVE LANGUAGE PRESERVATION" IN HOUSE BILL NO. 2 MUST BE REDUCED BY \$125,000 IN FISCAL YEAR 2018 AND BY \$125,000 IN FISCAL YEAR 2019.

(2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2018 IS AT LEVEL 4 OR BELOW AS PROVIDED IN [SECTION 10(3)], AND IF HOUSE BILL NO. 2 IS PASSED AND APPROVED, THEN THE DEPARTMENT OF COMMERCE GENERAL FUND APPROPRIATION FOR "NATIVE LANGUAGE PRESERVATION" IN HOUSE BILL NO. 2 MUST BE REDUCED BY \$125,000 IN FISCAL YEAR 2019.

COORDINATION SECTION. SECTION 29. COORDINATION INSTRUCTION -- SENATE BILL NO. 281 AND FIRE SUPPRESSION ACCOUNT. (1) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS EQUAL TO OR GREATER THAN \$2,209,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND SENATE BILL NO. 281 AND [THIS ACT] ARE PASSED AND APPROVED, AND BOTH CONTAIN A SECTION THAT AMENDS 76-13-150, THEN THE SECTIONS AMENDING 76-13-150 ARE VOID AND 76-13-150 MUST BE AMENDED AS FOLLOWS:

"76-13-150. Fire suppression account -- fund transfer. (1) There is a fire suppression account in the

1 state special revenue fund to the credit of the department.

2 (2) The legislature may transfer money from other funds to the account, and the money in the account
3 is subject to legislative fund transfers.

4 (3) Funds received for restitution by private parties must be deposited in the account.

5 (4) Money in the account may be used only for: ~~the purpose of paying expenses for fire prevention,~~
6 ~~including fuel reduction and mitigation, forest restoration, grants for the purchase of fire suppression equipment~~
7 ~~for county cooperatives, and~~

8 (a) fire suppression costs;

9 (b) fuel reduction and mitigation;

10 (c) forest restoration;

11 (d) grants for the purchase of fire suppression equipment for county cooperatives;

12 (e) forest management projects on federal land;

13 (f) support for collaborative groups that include at least one representative of an affected county
14 commission that is engaged with a federal forest project and for local governments engaged in litigation related
15 to federal forest projects; and

16 (g) road maintenance on federal lands.;

17 (5) Interest earned on the balance of the account is retained in the account.

18 (6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal year, an
19 amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of
20 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer
21 from the general fund to the fire suppression account. General fund appropriations that continue from a fiscal year
22 to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded
23 from the calculation.

24 (7) The provisions of subsection (6) do not apply in a fiscal year in which reductions required by 17-7-140
25 occur or if a transfer pursuant to subsection (6) would require reductions pursuant to 17-7-140.

26 (8) The fund balance in the account may not exceed ~~\$100 million~~ 4% of all general fund appropriations
27 in the second year of the biennium.

28 ~~Up to \$5 million each biennium may be used for the purpose of fuel reduction and mitigation and~~
29 ~~forest restoration~~ By August 15 of each even-numbered fiscal year, if the balance in the account at the end of the
30 most recently completed odd-numbered fiscal year exceeds \$40 million, the excess, up to \$5 million, must be
31 used in the biennium for the purposes in subsections (4)(b) through (4)(g). Of that amount, no more than 5% may

1 be used for the purposes of subsection (4)(f).

2 (10) For the fiscal year ending June 30, 2017, the state treasurer may not transfer from the general fund
3 to the fire suppression account.

4 ~~(10)(11)~~ Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for
5 the purposes described in subsection (4)."

6 (2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE
7 GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,209,000,000, AS DETERMINED BY THE
8 STATE TREASURER ON OR BEFORE AUGUST 15, 2017, AND SENATE BILL NO. 281 AND [THIS ACT] ARE PASSED AND
9 APPROVED, AND BOTH CONTAIN A SECTION THAT AMENDS 76-13-150, THEN THE SECTIONS AMENDING 76-13-150 ARE
10 VOID AND 76-13-150 MUST BE AMENDED AS FOLLOWS:

11 **"76-13-150. Fire suppression account -- fund transfer.** (1) There is a fire suppression account in the
12 state special revenue fund to the credit of the department.

13 (2) The legislature may transfer money from other funds to the account, and the money in the account
14 is subject to legislative fund transfers.

15 (3) Funds received for restitution by private parties must be deposited in the account.

16 (4) Money in the account may be used only for: ~~the purpose of paying expenses for fire prevention;~~
17 ~~including fuel reduction and mitigation, forest restoration, grants for the purchase of fire suppression equipment~~
18 ~~for county cooperatives, and~~

19 (a) fire suppression costs;

20 (b) fuel reduction and mitigation;

21 (c) forest restoration;

22 (d) grants for the purchase of fire suppression equipment for county cooperatives;

23 (e) forest management projects on federal land;

24 (f) support for collaborative groups that include at least one representative of an affected county
25 commission that is engaged with a federal forest project and for local governments engaged in litigation related
26 to federal forest projects; and

27 (g) road maintenance on federal lands.;

28 (5) Interest earned on the balance of the account is retained in the account.

29 (6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal year, an
30 amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of
31 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer

1 from the general fund to the fire suppression account. General fund appropriations that continue from a fiscal year
2 to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded
3 from the calculation.

4 (7) The provisions of subsection (6) do not apply in a fiscal year in which reductions required by 17-7-140
5 occur or if a transfer pursuant to subsection (6) would require reductions pursuant to 17-7-140.

6 (8) The fund balance in the account may not exceed ~~\$100 million~~ 4% of all general fund appropriations
7 in the second year of the biennium.

8 (9) ~~Up to \$5 million each biennium may be used for the purpose of fuel reduction and mitigation and~~
9 ~~forest restoration~~ Beginning on July 1, 2019, by August 15 of each even-numbered fiscal year, if the balance in
10 the account at the end of the most recently completed odd-numbered fiscal year exceeds \$40 million, the excess,
11 up to \$5 million, must be used in the biennium for the purposes in subsections (4)(b) through (4)(g). Of that
12 amount, no more than 5% may be used for the purposes of subsection (4)(f).

13 (10) For the fiscal year ending June 30, 2017, the state treasurer may not transfer from the general fund
14 to the fire suppression account.

15 ~~(10)~~(11) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for
16 the purposes described in subsection (4)."

17
18 COORDINATION SECTION. SECTION 30. COORDINATION INSTRUCTION -- FIRE SUPPRESSION ACCOUNT --
19 EFFECTIVE JULY 1, 2019. IF SENATE BILL NO. 281 AND [THIS ACT] ARE PASSED AND APPROVED, AND BOTH CONTAIN A
20 SECTION THAT AMENDS 76-13-150, THEN THE SECTIONS AMENDING 76-13-150 ARE VOID AND 76-13-150 MUST BE
21 AMENDED AS FOLLOWS:

22 **"76-13-150. Fire suppression account -- fund transfer.** (1) There is a fire suppression account in the
23 state special revenue fund to the credit of the department.

24 (2) The legislature may transfer money from other funds to the account, and the money in the account
25 is subject to legislative fund transfers.

26 (3) Funds received for restitution by private parties must be deposited in the account.

27 (4) Money in the account may be used only for: ~~the purpose of paying expenses for fire prevention,~~
28 ~~including fuel reduction and mitigation, forest restoration, grants for the purchase of fire suppression equipment~~
29 ~~for county cooperatives, and~~

30 (a) fire suppression costs;

31 (b) fuel reduction and mitigation;

1 (c) forest restoration;

2 (d) grants for the purchase of fire suppression equipment for county cooperatives;

3 (e) forest management projects on federal land;

4 (f) support for collaborative groups that include at least one representative of an affected county
5 commission that is engaged with a federal forest project and for local governments engaged in litigation related
6 to federal forest projects; and

7 (g) road maintenance on federal lands.-

8 (5) Interest earned on the balance of the account is retained in the account.

9 (6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal year, an
10 amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of
11 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer
12 from the general fund to the fire suppression account. General fund appropriations that continue from a fiscal year
13 to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded
14 from the calculation.

15 (7) The provisions of subsection (6) do not apply in a fiscal year in which reductions required by 17-7-140
16 occur or if a transfer pursuant to subsection (6) would require reductions pursuant to 17-7-140.

17 (8) The fund balance in the account may not exceed ~~\$100 million~~ 4% of all general fund appropriations
18 in the second year of the biennium.

19 ~~(9) Up to \$5 million each biennium may be used for the purpose of fuel reduction and mitigation and~~
20 ~~forest restoration.~~ By August 15 of each even-numbered fiscal year, if the balance in the account at the end of the
21 most recently completed odd-numbered fiscal year exceeds \$40 million, the excess, up to \$5 million, must be
22 used in the biennium for the purposes in subsections (4)(b) through (4)(g). Of that amount, no more than 5% may
23 be used for the purposes of subsection (4)(f).

24 (10) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for the
25 purposes described in subsection (4)."

26
27 **COORDINATION SECTION. SECTION 31. COORDINATION INSTRUCTION -- HOUSE BILL NO. 638. (1) IF**
28 **HOUSE BILL NO. 638 IS PASSED AND APPROVED, THEN:**

29 **(A) [SECTION 9 OF HOUSE BILL NO. 638] MUST BE AMENDED AS FOLLOWS:**

30 **"Section 9. Effective date dates -- contingency. [This act] (1) Except as provided in subsection (2), [this**
31 **act] is effective July 1 August 15, 2017.**

(2) [Sections 2 through 8] are effective only if on:

(a) August 15, 2017, the state treasurer certifies that unaudited general fund revenue and transfers into the general fund received at the end of fiscal year 2017 are equal to or greater than \$2,220,000,000; or

(b) August 15, 2018, the state treasurer certifies that unaudited general fund revenue and transfers into the general fund received at the end of fiscal year 2018 are equal to or greater than \$2,375,000,000."

(2) IF THE AMOUNT OF THE CERTIFIED UNAUDITED STATE GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN \$2,220,000,000, AS DETERMINED BY THE STATE TREASURER ON OR BEFORE AUGUST 15, 2017, THEN:

(A) [SECTION 1 OF HOUSE BILL NO. 638] MUST BE AMENDED AS FOLLOWS:

"Section 1. Appropriation for direct care worker wages. (1) The following amounts are appropriated to the department of public health and human services for the biennium beginning July 1, ~~2017~~ 2018, for a rate increase for developmental disability services providers to be phased in and used as provided in this section:

Fiscal Year ~~2018~~ 2019 \$5,277,977 federal special revenue

\$2,789,240 state special revenue fund

~~Fiscal Year 2019 \$12,326,129 federal special revenue~~

~~\$6,526,928 state special revenue fund~~

(2) Providers must use the appropriation to increase wages only for workers who:

(a) provide direct care;

(b) are employed in community services established pursuant to 53-20-205; and

(c) are not state employees.

(3) Except as provided in subsection (4), the department shall phase in the appropriation ~~on July 1 and January 1 of each year of the biennium~~ in a manner that provides the equivalent of an increase in wages of at least 75 cents an hour per employee.

(4) (a) If the appropriation is insufficient to provide the equivalent of a biannual increase of 75 cents an hour per employee, the department shall provide the maximum provider rate increase possible from the appropriation.

(b) If the appropriation allows for the equivalent of ~~a biannual~~ an increase of more than 75 cents an hour per employee, the department shall use the full amount of the appropriation to provide the greater increase.

(5) The appropriation in this section is intended to increase medicaid services and not to supplant the general fund in the trended traditional level of appropriation for medicaid services and medicaid provider rates.

The appropriation in this section may not be used to provide wages to program managers, administrative staff, management staff, schedulers, nurse supervisors, licensed practical nurses, registered nurses, or case managers.

(6) The legislature intends that the appropriation in this section be considered a part of the ongoing base for the next legislative session.";

(B) [SECTION 2 OF HOUSE BILL NO. 638] MUST BE AMENDED AS FOLLOWS:

"Section 2. Appropriation for direct care worker wages. (1) The following amounts are appropriated to the department of public health and human services for the ~~biennium~~ fiscal year beginning July 1, ~~2017~~ 2018, for a rate increase for home and community-based services waiver direct care workers and for community services personal care assistants to be administered by the senior and long-term care division for elderly and physically disabled individuals, to be phased in and used as provided in this section:

Fiscal Year 2018 <u>2019</u>	\$808,268	federal special revenue
	\$427,144	state special revenue fund
Fiscal Year 2019	\$1,211,568	federal special revenue
_____	\$641,549	state special revenue fund

(2) Providers may use the appropriation to increase wages only for workers who:

- (a) provide direct care;
- (b) are employed in community services; and
- (c) are not state employees.

(3) The department shall use the appropriation ~~starting on:~~

- ~~_____ (a) July 1, 2017, to increase wages by at least \$1.50 an hour per employee; and~~
- ~~_____ (b) July 1, 2018, to increase wages by at least \$2.25 an hour per employee.~~

(4) The appropriation in this section is intended to increase medicaid services and not to supplant the general fund in the trended traditional level of appropriation for medicaid services and medicaid provider rates. The appropriation in this section may not be used to provide wages to program managers, administrative staff, management staff, schedulers, nurse supervisors, licensed practical nurses, registered nurses, or case managers.

(5) The legislature intends that the appropriation in this section be considered a part of the ongoing base for the next legislative session."; AND

(C) [SECTION 5 OF HOUSE BILL NO. 638] MUST BE AMENDED AS FOLLOWS:

"Section 5. Transfer of funds to direct care worker wage account. By ~~July 1, 2017~~ August 15, 2018,

the state treasurer shall transfer ~~\$1,068,693~~ \$427,144 from the older Montanans trust fund, provided for in 52-3-115, to the direct care worker wage account provided in [section 3] for the ~~biennium beginning~~ fiscal year beginning July 1, 2017 2018."

COORDINATION SECTION. SECTION 32. COORDINATION INSTRUCTION -- HOUSE BILL NO. 261. (1) IF HOUSE BILL NO. 261 IS PASSED AND APPROVED, THEN [SECTION 2 OF HOUSE BILL NO. 261] MUST BE AMENDED AS FOLLOWS:

"Section 2. Contingent voidness. (1) If the certified unaudited general fund revenue and transfers into the general fund received in fiscal year 2017 are less than ~~\$2,213,000,000~~ \$2,217,000,000, as determined by the state treasurer on or before August 15, 2017, the statutory ~~appropriation~~ appropriations in 22-1-327 for fiscal year ~~years~~ 2018 is and 2019 are void.

(2) If the certified unaudited general fund revenue and transfers into the general fund received in fiscal year 2018 are less than \$2,360,000,000, the statutory appropriation in 22-1-327 for fiscal year 2019 is void."

(2) THE STATE TREASURER SHALL NOTIFY THE BUDGET DIRECTOR, THE LEGISLATIVE FISCAL ANALYST, AND THE CODE COMMISSIONER ON OR BEFORE AUGUST 15, 2017, REGARDING WHETHER AMOUNT OF THE CERTIFIED GENERAL FUND REVENUE AND TRANSFERS INTO THE GENERAL FUND RECEIVED AT THE END OF FISCAL YEAR 2017 IS LESS THAN THE AMOUNT PROVIDED IN [SECTION 2 OF HOUSE BILL NO. 261], AS AMENDED BY SUBSECTION (1).

NEW SECTION. SECTION 33. SEVERABILITY. IF A PART OF [THIS ACT] IS INVALID, ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID PART REMAIN IN EFFECT. IF A PART OF [THIS ACT] IS INVALID IN ONE OR MORE OF ITS APPLICATIONS, THE PART REMAINS IN EFFECT IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE INVALID APPLICATIONS.

NEW SECTION. Section 34. Effective date. ~~[This act]~~ (1) EXCEPT AS PROVIDED IN SUBSECTIONS (2) AND (3), [THIS ACT] is effective July 1, 2017.

(2) [SECTION 30] IS EFFECTIVE JULY 1, 2019.

(3) [SECTIONS 32 AND 33] AND THIS SECTION ARE EFFECTIVE ON PASSAGE AND APPROVAL.

NEW SECTION. SECTION 35. TERMINATION. [SECTIONS 13, 27, AND 29] TERMINATE JUNE 30, 2019.

- END -