



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

**Bill #** SB0063

**Title:** Increase payment to quasi-judicial board members

**Primary Sponsor:** Cobb, J.

**Status:** As Introduced

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

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$46,364	\$49,248	\$53,304	\$55,556
State Special Revenue	\$62,563	\$69,198	\$70,854	\$78,060
Federal Special Revenue	\$7,050	\$5,882	\$7,199	\$6,635
Other (Proprietary 06)	\$61,461	\$65,482	\$69,617	\$73,868
Other (Pension Trust)	\$15,429	\$16,439	\$17,477	\$18,544
<b>Revenue:</b>				
Other (Proprietary 06)	\$5,350	\$5,700	\$6,060	\$6,430
<b>Net Impact-General Fund Balance</b>	<b>(\$46,364)</b>	<b>(\$49,248)</b>	<b>(\$53,304)</b>	<b>(\$55,556)</b>

#### Description of fiscal Impact:

The bill increases the daily pay rate to qualified board members from current level of \$50.00 per day to \$92.80.

### FISCAL ANALYSIS

#### Assumptions:

1. The bill proposes the compensation rate be linked to the statewide classified pay plan commensurate with the daily rate of an entry grade 10 classified state employee, currently \$10.33 per hour.
2. Benefits are estimated 12.3198% for FICA, Medicare, Unemployment Insurance, and Workers Compensation and that no additional benefits are to be paid and that there will not be an increase in travel costs.
3. It is assumed the rate will increase by 3% each fiscal year for estimated statewide classification pay plan.

4. Assumes the current budget requests will be approved.
5. The fiscal impact is the difference between current per diem requests and the new rate.

**Crime Control Division (CCD)**

6. Montana Board of Crime Control assumes half of its 18 board members (9) qualify to receive the daily salary.
7. It is assumed that board members will meet 5 days a year and subcommittees will meet approximately two days a year resulting in 63 paid days ( $7 \times 9 = 63$ ).

**Board of Public Education (BPE)**

8. Assume 3 board members paid for 21 business days.

**Office of Commissioner of Higher Education (OCHE)**

9. It is assumed members of the Board of Regents will be compensated for a maximum of 8 hours per day.
10. Assumes 6 meetings per year lasting 3 days, for 7 board members (6 meetings x 3 days x 7 members).

**Montana Arts Council (MAC)**

11. The Council meets 3 times per year in even fiscal years and 2 times per year in odd fiscal years. Meetings are generally a day or two in length.
12. Assume 63 total person days of meetings in FY 2008 and 27 total person days of meetings in FY 2009.

**Department of Environmental Quality (DEQ)**

13. Seven board members of the Board of Environmental Review are compensated per 2-15-3502, MCA, and 10 one-day meetings per year ( $\$82.72 \times 7 \times 10 = \$5,790$  -  $\$3,500$  current law =  $\$2,290$  additional cost) (current law  $\$50 \times 7 \times 10 = \$3,500$ ).

**Department of Transportation (DOT)**

14. The Aeronautics Board has 9 members and will be paid for an average of 3 days each per year. Two meetings are held in Helena each year, one meeting day, two travel days for a total of three days.
15. The Transportation Commission has 5 members and will be paid for 16 meetings the first year of a biennium and 20 the second year of a biennium.

**Department of Natural Resources and Conservation (DNRC)**

16. The Board of Oil and Gas Conservation (BOGC) has 8 members and meet on average 18.25 days per year.

**Department of Administration (DOA)**

17. The Information Technology Board has eight members that meet six times per year.
18. The board convenes for an average of six hours per meeting.

**State Fund (SF)**

19. The State Fund's source of revenue is workers' compensation insurance premium.
20. The State Fund is required in law, 39-71-2316(5), MCA, to charge premiums so that the State Fund will be neither more nor less than self-supporting.
21. Per 2-15-1019(7),MCA, the State Fund board members are compensated in the same manner as members of quasi-judicial boards.
22. There are seven members on the State Fund's board. Each receives approximately eleven days of compensation each year for a total of 77 days total compensation paid by the State Fund.

**Montana Public Employees Retirement Administration (MPERA)**

23. The additional expense would be paid out of the administrative expenses of the pension funds.
24. Assume 7 members attend 12 board meetings + 7 members incur 12 study days + 7 members attend 2 work/training sessions + 4 members incur 29 travel days + 3 members attend Legislature 8 days + 3 members attend 2 day joint issues + 2 members attend 10 day-long conferences + 2 members attend 6 RFP sessions.

**Department of Corrections (COR)**

25. Board of Pardon currently has 7 members that meet approximately 77 days a year.

**Department of Commerce (DOC)**

26. The Board of Housing has seven members and meets approximately thirty days per year per member. The Board of Housing is funded with HB 576 proprietary funds.

- 27. The Board of Investments has nine members and meets approximately ten days per year per member (4 2-day meetings plus 2 1-day special meetings). In addition, board members are paid one additional day per meeting per member to review board material prior to meetings. The Board of Investments is funded with HB 576 proprietary funds.
- 28. The Facility Finance Authority has seven members and meets approximately sixteen days per year per member (4 2-day meetings plus 8 1-day meetings). The Facility Finance Authority is funded with HB 576 proprietary funds.
- 29. The Board of Research and Commercialization has 6 members and meets approximately eight days per year per member. The board is funded with statutory state special revenue funds.
- 30. The Coal Board has seven members and meets approximately four days per year per member. The Coal Board is funded in HB 2 with state special revenue funds.
- 31. The Hard Rock Mining Impact Board has five members and meets approximately two days per year per member. The Hard Rock Mining Impact Board is funded in HB 2 with state special revenue funds.

**Department of Labor and Industry (DLI)**

- 32. The Health Care Licensing Bureau has four boards with a total of 24 members currently designated by law as quasi-judicial boards. They are the Board of Social Work Examiners, Board of Alternative Health Care, Board of Respiratory Care Practitioners, and the Board of Clinical Laboratory Science Practitioners.
- 33. In FY 2006 these boards spent a total of 162 hours, combined, in the course of board business. (162 hours/ 8 hour/day = 20.25 day/yr)
- 34. Human Rights Commission 5 members x 24 days.
- 35. Board of Personnel Appeals 5 members x 25 days.
- 36. Board of Labor Appeal 3 members meet x 39 days.

**Department of Public Health and Human Services (DPHHS)**

- 37. The Board of Public Assistance consists of 3 members.
- 38. The board is projected to have 9 meetings per year.

<b><u>Fiscal Impact:</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>
<b>CCD</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$ 2,696	\$ 2,873	\$ 3,054	\$ 3,241
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$ 2,696	\$ 2,873	\$ 3,054	\$ 3,241
<b>BPE</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$ 2,696	\$ 2,873	\$ 3,054	\$ 3,241
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$ 2,696	\$ 2,873	\$ 3,054	\$ 3,241

**OCHE**

**Expenditures:**

Operating Expenses	\$	5,393	\$	5,746	\$	6,108	\$	6,481
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**Funding of Expenditures:**

General Fund (01)	\$	5,393	\$	5,746	\$	6,108	\$	6,481
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**MAC**

**Expenditures:**

Operating Expenses	\$	2,696	\$	1,094	\$	3,054	\$	1,235
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**Funding of Expenditures:**

General Fund (01)	\$	1,348	\$	547	\$	1,527	\$	618
Federal Special Revenue (03)	\$	1,348	\$	547	\$	1,527	\$	617
	<u>\$</u>	<u>2,696</u>	<u>\$</u>	<u>1,094</u>	<u>\$</u>	<u>3,054</u>	<u>\$</u>	<u>1,235</u>

**MHS**

**Expenditures:**

Operating Expenses	\$	2,568	\$	2,736	\$	2,909	\$	3,086
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**Funding of Expenditures:**

General Fund (01)	\$	2,568	\$	2,736	\$	2,909	\$	3,086
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**DEQ**

**Expenditures:**

Operating Expenses	\$	2,996	\$	3,192	\$	3,394	\$	3,601
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**Funding of Expenditures:**

General Fund (01)	\$	2,996	\$	3,192	\$	3,394	\$	3,601
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**DOT**

**Expenditures:**

Operating Expenses	\$	11,385	\$	14,683	\$	12,896	\$	16,564
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**Funding of Expenditures:**

State Special Revenue (02)	\$	11,385	\$	14,683	\$	12,896	\$	16,564
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**DNRC**

**Expenditures:**

Operating Expenses	\$	6,249	\$	6,658	\$	7,078	\$	7,510
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**Funding of Expenditures:**

State Special Revenue (02)	\$	6,249	\$	6,658	\$	7,078	\$	7,510
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**DOA**

**Expenditures:**

Operating Expenses	\$	2,054	\$	2,189	\$	2,327	\$	2,469
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**Funding of Expenditures:**

Other (Proprietary 06)	\$	2,054	\$	2,189	\$	2,327	\$	2,469
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**Revenues:**

Proprietary (06)	\$	2,054	\$	2,189	\$	2,327	\$	2,469
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**SF**

**Expenditures:**

Operating Expenses	\$	3,296	\$	3,511	\$	3,733	\$	3,961
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**Funding of Expenditures:**

Proprietary (06)	\$	3,296	\$	3,511	\$	3,733	\$	3,961
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**Revenues:**

Proprietary (06)	\$	3,296	\$	3,511	\$	3,733	\$	3,961
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**MPERA**

**Expenditures:**

Operating Expenses	\$	15,429	\$	16,439	\$	17,477	\$	18,544
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**Funding of Expenditures:**

Other (Pension Trust)	\$	15,429	\$	16,439	\$	17,477	\$	18,544
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**COR**

**Expenditures:**

Operating Expenses	\$	23,069	\$	24,578	\$	26,131	\$	27,726
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**Funding of Expenditures:**

General Fund (01)	\$	23,069	\$	24,578	\$	26,131	\$	27,726
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**DOC**

**Expenditures:**

Operating Expenses	\$	66,897	\$	71,273	\$	75,774	\$	80,401
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**Funding of Expenditures:**

State Special Revenue (02)	\$ 10,786	\$ 11,491	\$ 12,217	\$ 12,963
Other (Proprietary 06)	\$ 56,111	\$ 59,782	\$ 63,557	\$ 67,438
	<u>\$ 66,897</u>	<u>\$ 71,273</u>	<u>\$ 75,774</u>	<u>\$ 80,401</u>

**DLI**

**Expenditures:**

Operating Expenses	\$ 44,277	\$ 47,173	\$ 50,153	\$ 53,214
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**Funding of Expenditures:**

General Fund (01)	\$ 5,136	\$ 5,472	\$ 5,818	\$ 6,173
State Special Revenue (02)	\$ 34,133	\$ 36,366	\$ 38,663	\$ 41,023
Federal Special Revenue (03)	\$ 5,008	\$ 5,335	\$ 5,672	\$ 6,018
	<u>\$ 44,277</u>	<u>\$ 47,173</u>	<u>\$ 50,153</u>	<u>\$ 53,214</u>

**DPHHS**

**Expenditures:**

Operating Expenses	\$ 1,156	\$ 1,231	\$ 1,309	\$ 1,389
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**Funding of Expenditures:**

General Fund (01)	\$ 462	\$ 1,231	\$ 1,309	\$ 1,389
Federal Special Revenue (03)	\$ 694	\$ -	\$ -	\$ -
	<u>\$ 1,156</u>	<u>\$ 1,231</u>	<u>\$ 1,309</u>	<u>\$ 1,389</u>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)	\$ 46,364	\$ 49,248	\$ 53,304	\$ 55,556
State Special Revenue (02)	\$ 62,563	\$ 69,198	\$ 70,854	\$ 78,060
Federal Special Revenue (03)	\$ 7,050	\$ 5,882	\$ 7,199	\$ 6,635
Other (Proprietary 06)	\$ 61,461	\$ 65,482	\$ 69,617	\$ 73,868
Other (Pension Trust)	\$ 15,429	\$ 16,439	\$ 17,477	\$ 18,544

**Technical Notes:**

1. If SB 54 passes, DLI Health Care Licensing Bureau boards will no longer be designated as quasi-judicial; the state special fiscal impact would decrease by \$2,568 in FY 2008, \$2,736 in FY 2009, \$2,909 in FY 2010, and \$3,086 in FY 2011.
2. The bill appears to change compensation for board members from per diem to salary, which would cause the addition of state of federal payroll deductions.

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Sponsor's Initials

\_\_\_\_\_  
Date

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Budget Director's Initials

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Date