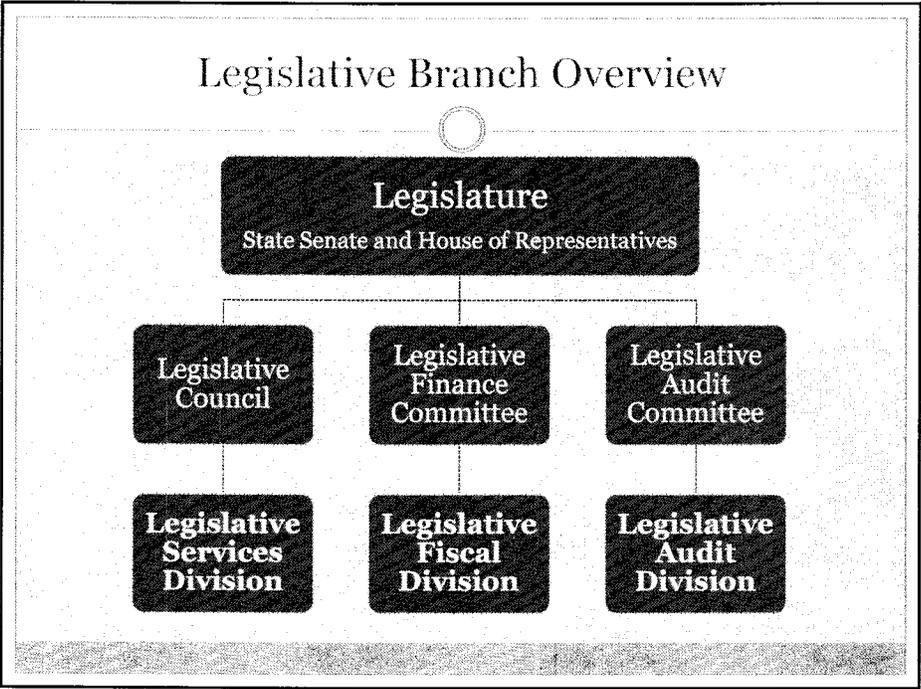


EXHIBIT 5  
DATE 1/21/11  
HB Legislative Branch

# Legislative Branch

2013 BIENNIUM  
BUDGET PROPOSAL

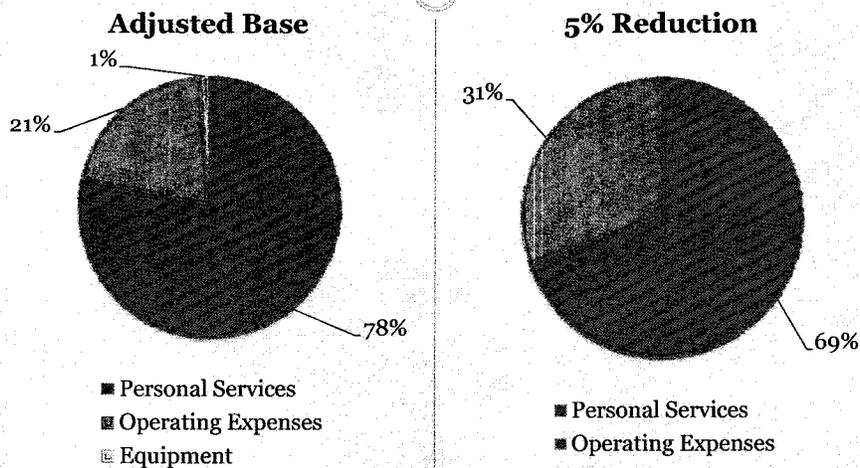


## Unique Attributes

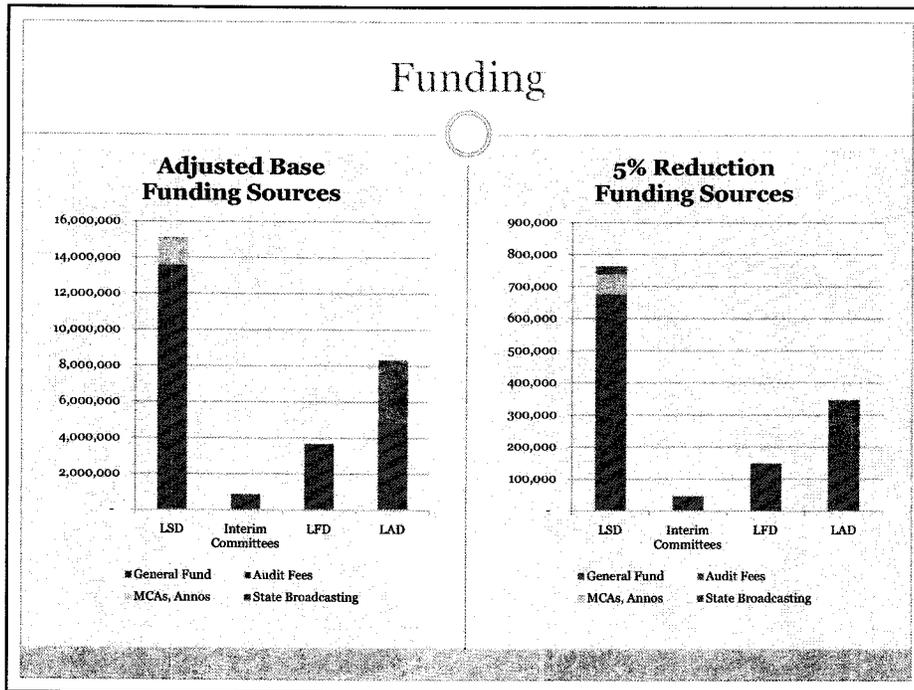
- **Among Legislatures**
  - Traditional citizen legislature
  - Term limited
  - Staff to Legislator ratio = 0.88 to 1
- **Legislative Branch within state government**
  - Smallest branch, except during session
  - 73% branch positions require advanced degree
  - Product is information, not data
  - 3 statutory appropriations: IT, retirement, audit
  - 5 approving authorities
  - Biennial budget (since 2005)

## Legislative Branch

Reflection of 5% Reduction

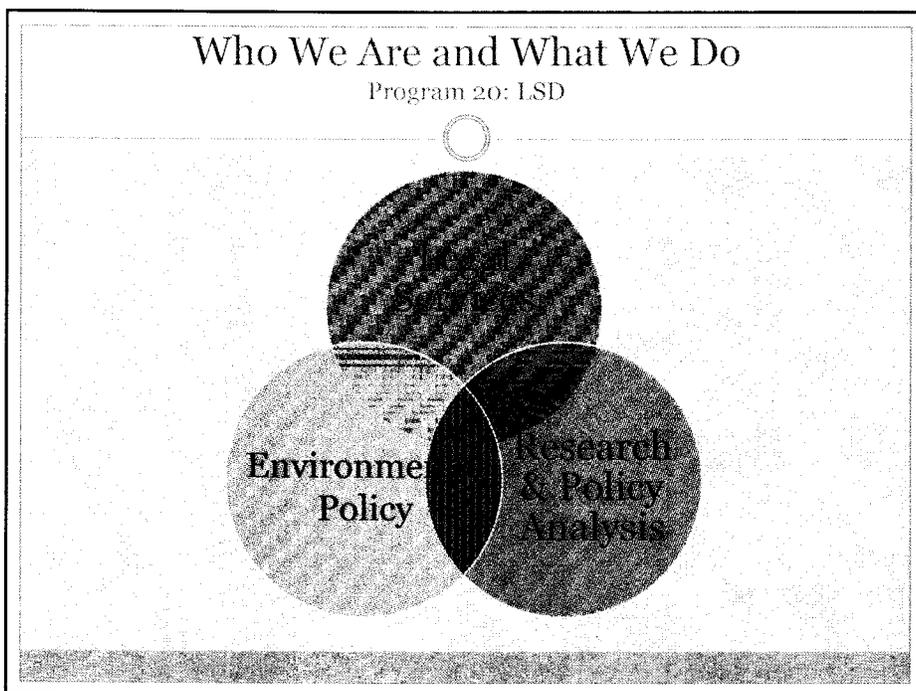
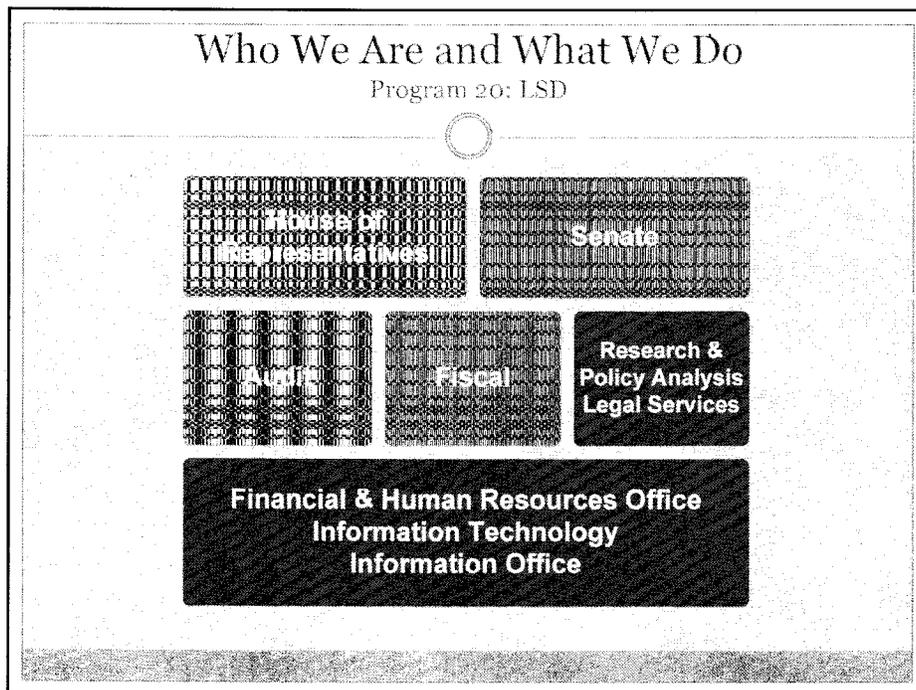


## Funding



## Legislative Services Division





Who We Are and What We Do	
Program 20: LSD	
Session Activities	Interim Activities
<ul style="list-style-type: none"> <li>• Draft bills, amendments</li> <li>• Staff for select committees</li> <li>• Information requests</li> <li>• Legal memos &amp; opinions</li> <li>• Division editorial support</li> <li>• Reference Center</li> <li>• Division support                             <ul style="list-style-type: none"> <li>○ Reception</li> <li>○ Administrative</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Lead staff, interim committees</li> <li>• Legislative Reference Center (Library)</li> <li>• Codification &amp; Annotations of MCA</li> <li>• Editing publications</li> <li>• Legal support of interim committees</li> <li>• Database and publications</li> <li>• Reception</li> <li>• Secretarial support, interim committees</li> </ul>

Operations: Special Notes	
Program 20: LSD	
<ul style="list-style-type: none"> <li>• IT Services for Branch                             <ul style="list-style-type: none"> <li>○ Computer Systems Planning Council</li> <li>○ Full-service support equivalent to DofA ITSD</li> </ul> </li> <li>• TVMT (Television Montana)                             <ul style="list-style-type: none"> <li>○ Session and interim legislative hearings</li> <li>○ Executive Branch meetings: Land Board, PSC, others</li> <li>○ Audio and video streaming on internet</li> <li>○ Broadcast across the state                                     <ul style="list-style-type: none"> <li>✦ 53 cable television channels</li> <li>✦ 5 digital “over the air” channels</li> </ul> </li> <li>○ 2009 Legislature consolidated funding in House Bill No. 2</li> <li>○ Funded through                                     <ul style="list-style-type: none"> <li>✦ Predominately General Fund</li> <li>✦ Some State Special Revenue</li> </ul> </li> </ul> </li> </ul>	

## Operations, cont.

Program 20: LSD

- **Production of Montana Code Annotated (MCA)**
  - Statutory deadline - publish by October 1st following a regular session
  - One of few states to publish our own codes
  - Biennial cycle results in funding shift each year of biennium
    - × Even-numbered year:
      - Legal, document, and publication staff work on codification and annotations funded through state special revenue account
      - Revenue derived from distribution of MCAs.
    - × Odd-numbered year:
      - Staff finalizes annotations then switches predominantly to session work funded through general fund

## Services Division Staff

- Executive Director - 1 FTE
- Central Services- 9 FTE
- Information Technology - 16 FTE
- Legal Services - 13 FTE
- Research & Policy Analysis - 9 FTE
- Environmental Policy - 4 FTE
- Library, Secretarial Support, & Environmental Database - 7 FTE

59.0 Authorized FTE

## Present Law Adjustment – DP 201

Program 20

### • LSD Cyclical Program Operations

	FY 2012	FY 2013
Districting & Apportionment Support	\$ 8,000	\$ 8,000
Session: Network Operations	450	213,581
Session: TVMT Production & Streaming		99,538
MCA Production & Distribution	8,630	(292,348)
	<u>\$ 17,080</u>	<u>\$ 28,771</u>
General Fund	8,450	320,675
State Special Revenue Funds	8,630	(291,904)
	<u>\$ 17,080</u>	<u>\$ 28,771</u>

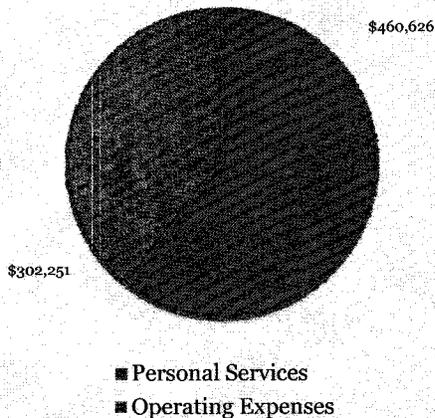
This decision package is necessary because the FY2010 base year does not capture 2013 session costs, the work of the decennial Districting & Apportionment Commission, or the MCA production cycle.

## Program 20 LSD 5% Spending Reductions

Adopted by Joint Subcommittee

- **Personal Services**
  - \$230,313 each year of biennium representing:
    - ✦ 2 professional positions (attorney, security officer)
    - ✦ 2 entry level hires replacing long-term attorneys
    - ✦ \$30,000 each year from unidentified, anticipated vacancy savings
- **Operations (both years)**
  - Training: \$32,000 including registrations and travel
  - Office supplies, printing: \$19,000
  - TVMT A/V components: \$24,000
  - IT equipment/software: \$227,251 (includes 5-year replacement cycle)

### 5% Reduction



## New Proposals

Program 20

1. **Retro-Commissioning Capitol Building (DP 206)**
2. **Legislative Branch Capital IT Projects**
  - Legislative Council approved bringing proposal to subcommittee
  - Not presently in budget
  - MCA Production, bills & amendment processing, journal, minutes
  - LFD Major Publications
3. **Legislative Space**

## Interim Committees and Activities

Program 21

- **Committees: legislator costs (# members)**
  - Legislative Council (12)
  - Environmental Quality Council (16)
  - Economic Affairs Interim Committee (8), BOI (2) & State Fund (2) liaisons
  - Education and Local Government Interim Committee (12)
  - Children, Families, Health, and Human Services Interim Committee (8)
  - Law & Justice Interim Committee (12)
  - Revenue and Transportation Interim Committee (12)
  - State Administration and Veterans' Affairs Interim Committee (8)
  - Computer Systems Planning Council (2)
  - Energy and Telecommunications Interim Committee (8)
  - Water Policy Committee (8)
  - Districting and Apportionment Commission – 5 non-legislators appointed by legislative leadership
- **Committees represent .97 FTE**

## Interim Committees and Activities

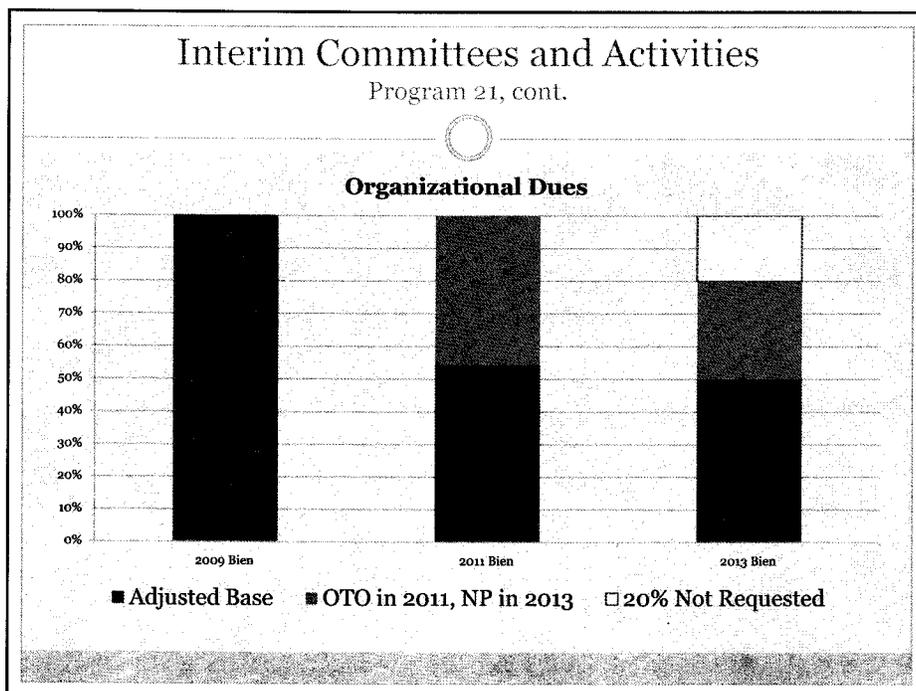
Program 21, cont.

- **General Fund in HB 2**
- **May receive study appropriations in Cat/Dog bills**
- **From \$2,500 to \$5,000 per meeting**
- **Present Law Adjustments - \$114,481**
  - Districting & Apportionment 49,134
  - Legislative Council Emerging Issues 50,000
  - Legislator Travel & Other 15,347
- **5% plan**
  - \$1,000 each year from most committees' consultant fees
  - \$11,603 each year from the Legislative Council's Emerging Issues fund
  - Reduced dues request

## Interim Committees and Activities

Program 21, cont.

- **Activities: dues and legislator participation**
  - National Conference of State Legislatures (NCSL) – all legislators and staff (funding for 8 each yr)
  - Council of State Governments (CSG) – all legislators (funding for 8 each yr)
  - Pacific Northwest Economic Region (PNWER)– 4 appointed legislators
  - Legislative Council on River Governance (CSG-West)– 4 appointed legislators and 1 assigned staff
  - National Conference of Commissioners on Uniform State Laws (NCCUSL) – 3 non-legislators appointed by LC and Code Commissioner
- **New Proposal (DP 212)**



## Legislative Fiscal Division



**What we do**

All staff work toward the same goal of informing the legislature.

Teams of individuals with different skills pull together toward common goals.

The diagram consists of three overlapping circles. The top circle is labeled 'Production', the bottom-left circle is labeled 'Revenue', and the bottom-right circle is unlabeled. The circles overlap in the center and at the intersections.

What we do: Analysis Program 27	
Revenue	Spending
<ul style="list-style-type: none"> <li>• Revenue estimates</li> <li>• Analysis of revenue and economic trends</li> <li>• Tax Policy</li> <li>• Analysis of tax bills for fiscal implications</li> <li>• Studies/Specific Requests</li> </ul>	<ul style="list-style-type: none"> <li>• Review and analysis of Governor's budget</li> <li>• Analysis of spending trends</li> <li>• Fiscal Analysis of Policy of choices</li> <li>• Staffing subcommittees</li> <li>• Studies/Specific Requests</li> </ul>

What we do: Production	
Program 27	
Information	Meetings/Communication
<ul style="list-style-type: none"> <li>• Data management               <ul style="list-style-type: none"> <li>◦ Maintain databases of data received from the executive and other outside entities</li> </ul> </li> <li>• Analysis tools</li> <li>• Chart of the Week</li> <li>• Status Sheet</li> </ul>	<ul style="list-style-type: none"> <li>• Reports</li> <li>• Minutes</li> <li>• Mailings</li> <li>• Books               <ul style="list-style-type: none"> <li>◦ Fiscal Report</li> <li>◦ Budget Analysis</li> </ul> </li> <li>• Website</li> </ul>

Fiscal Division Staff
<ul style="list-style-type: none"> <li>• Legislative Fiscal Analyst (Director) - 1 FTE</li> <li>• Principal Fiscal Analysts - 2 FTE</li> <li>• Administrative Support - 1.5 FTE</li> <li>• Fiscal Specialist - 1 FTE</li> <li>• Fiscal Analysts - 13 FTE</li> <li>• Revenue Data Analyst - 1 FTE</li> <li>• Legislative Finance Committee - 1 FTE</li> </ul>

### Present Law Adjustment – DP 271

Program 27

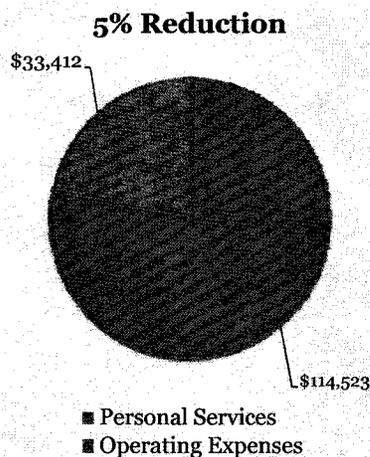
- LFD Cyclic Program Operations – \$45,000 GF in FY 2013
  - Session Overtime and Other Services \$4,500
  - Pre-session & Post-session Publications \$35,000
  - Other Session Costs (copies, office supplies) \$5,500

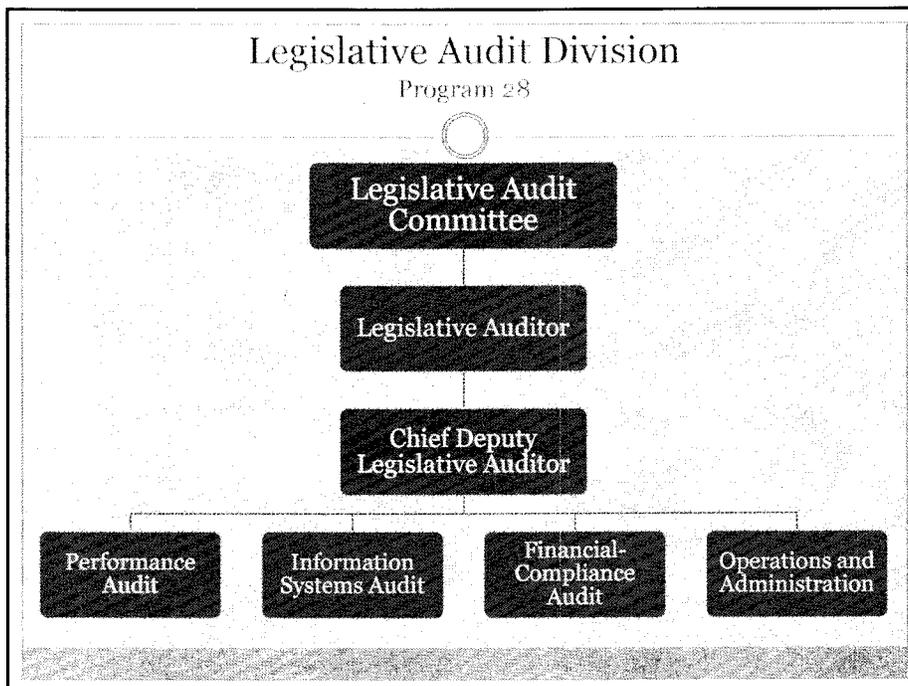
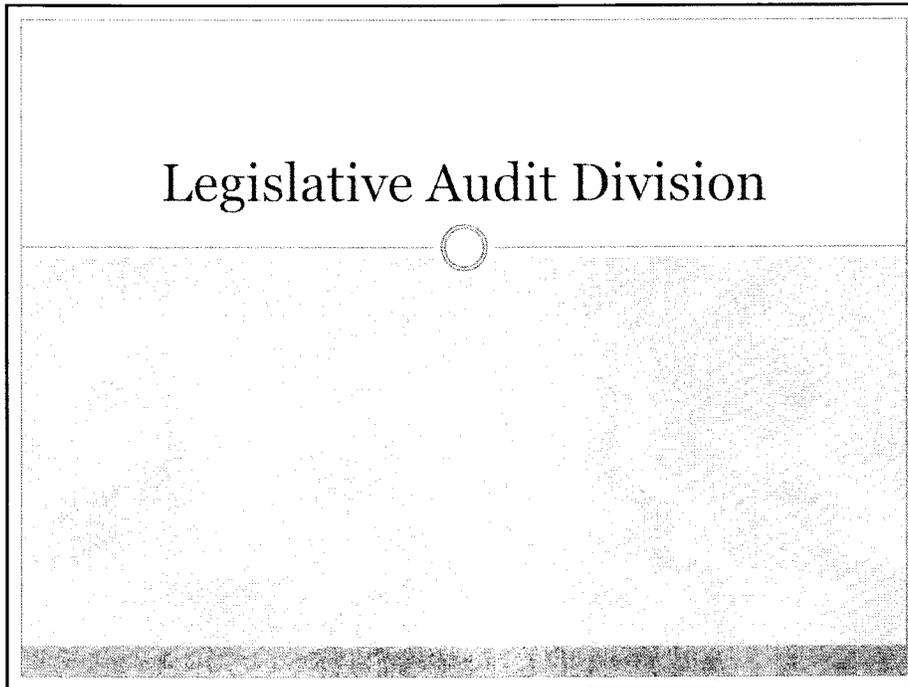
This decision package for the 2013 session year is necessary because the FY 2010 base year does not capture the session year costs.

### Program 27 LFD 5% Spending Reductions

Adopted by Joint Subcommittee

- LFD 5% Reduction Plan for 2013 Biennium – Total \$147,935 GF
- Personal Services - \$114,523 (Approved FTE left vacant for biennium)
- Operating Costs - \$33,412





## Legislative Audit Committee

**Article V, Section 10, of the Montana Constitution** specifically requires the legislature to establish a Legislative Audit Committee to supervise post auditing duties.



GARY BRANAR  
Billings



JOHN ERENDEN  
Scobey



TAYLOR BROWN  
Hardley



TOM BURNETT  
Bozeman



ROX COOK  
Conrad



BETSY HANDS  
Missoula



EDWARD BUTTREY  
Great Falls



CLIFF LARSEN  
Missoula



MITCH TROPILA  
Great Falls



MARY MCNALLY  
Billings



CAROLYN FRASE-LOPEZ  
Billings



WAYNE STAHL  
Saco

SENATORS

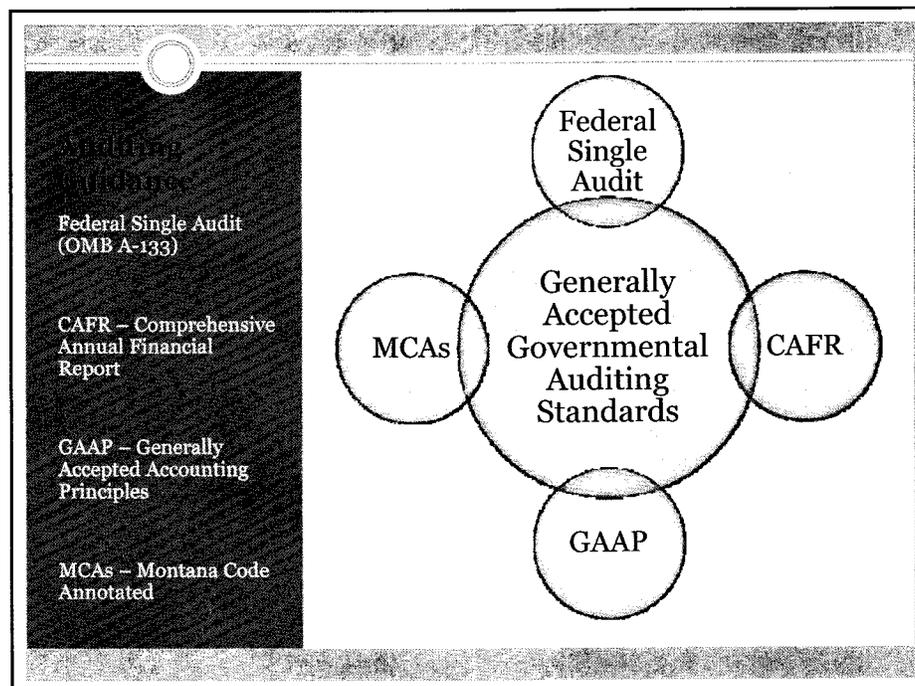
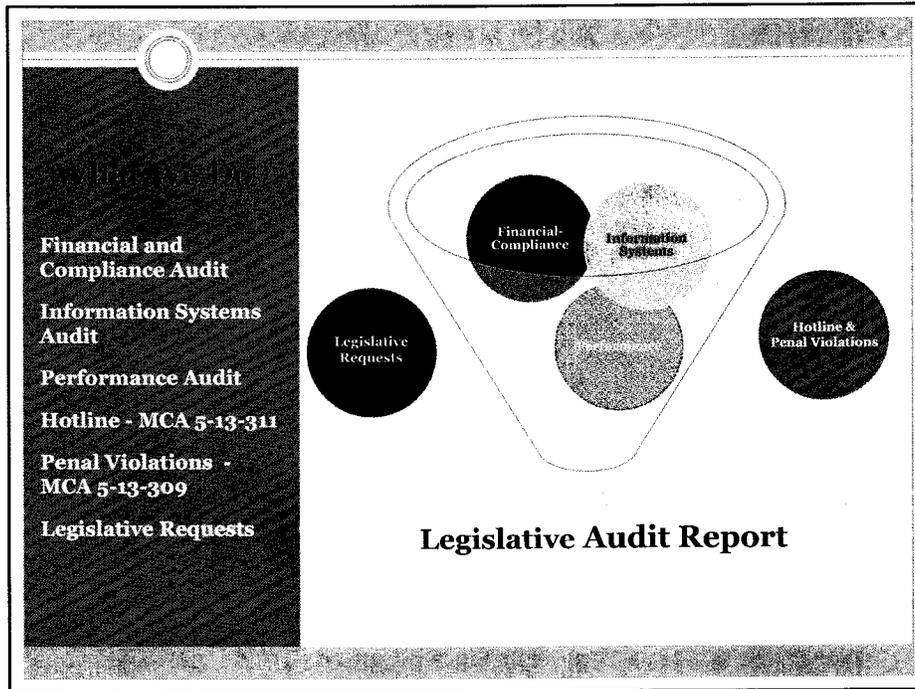
REPRESENTATIVES

## Who We Are

LAD – Program 28

### MCA 5-13-101(2) –the Legislative Audit Act

“Because the legislature is responsible for authorizing the expenditure of public money, designating the sources from which money may be collected, and shaping the administration to perform the work of state government and is held finally accountable for fiscal policy, **the legislature should also be responsible for the audit of books, accounts, activities, and records so that it may be assured that its directives have been carried out.** It is the intent of this chapter that each agency of state government be audited for the purpose of furnishing the legislature with factual information vital to the discharge of its legislative duties.” *Emphasis added.*



## Audit Division Staff

- Legislative Auditor (Director) – 1 FTE
- Legal – 1 FTE
- Audit Staff – 47 FTE
- Administrative Support – 4.5 FTE
- Legislative Audit Committee – 1 FTE

54.5 Authorized FTE

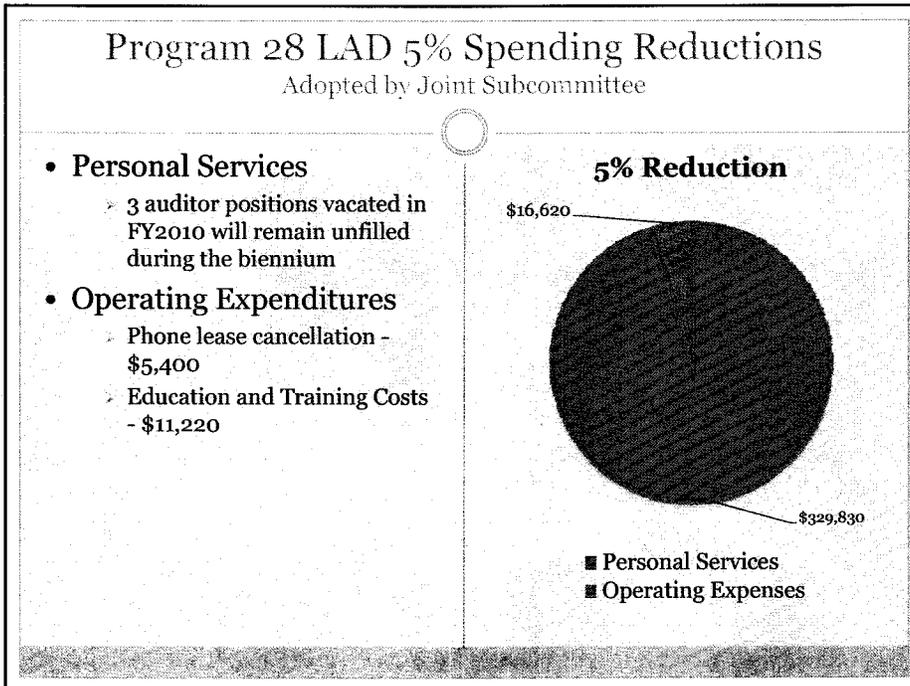
## Present Law Adjustment – DP 281

Program 28

### • LAD Cyclical Program Operations

	FY 2012	FY 2013
Actuarial Services	\$ 15,000	\$ 15,000
Peer Review		11,500
Audit Fees	<u>1,300</u>	<u>(13,700)</u>
	<u>\$ 16,300</u>	<u>\$ 12,800</u>
General Fund	9,250	5,750
State Special Revenue Funds	<u>7,050</u>	<u>7,050</u>
	<u>\$ 16,300</u>	<u>\$ 12,800</u>

This decision package is necessary because the FY2010 base year does not capture peer review costs or the potential use of actuarial expertise. The Legislative Branch audit costs are biennial and occur in the base year.



## Questions of the Directors?

---

**AMY CARLSON – Legislative Fiscal Analyst**  
**TORI HUNTHAUSEN – Legislative Auditor**  
**SUSAN BYORTH FOX – Executive Director, Legislative Services**